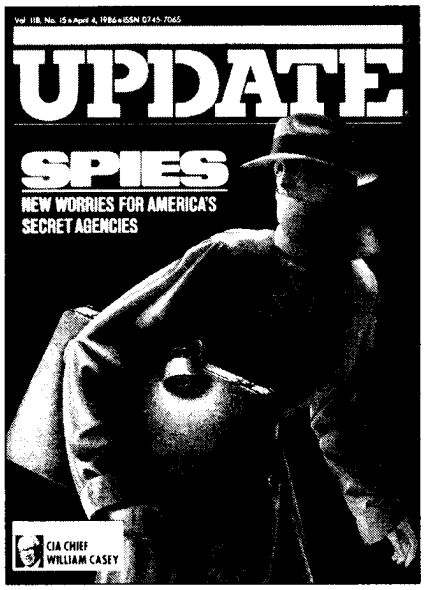
MINIPOSTER INSIDE: "The U.S. Intelligence Community"

UPDATE

TEACHERS' EDITION

APRIL 4, 1986 • VOL. 118, NO. 15 (ISSN 0745-7065)



Cover of Student Edition: "New Worries for America's Secret Agencies"

ABOUT THIS ISSUE

The press called 1985 "The Year of the Spy." It was a slight misnomer—the Justice Department made fewer espionage arrests in 1985 (11) than in 1984 (14). Still, the arrest trends are encouraging—or ominous, depending on your point of view. "If you catch a lot of spies," CIA chief William Casey says in this issue's UPDATE interview, "that can show that your intelligence service is bad. And if you don't catch any, that can show it's bad, too."

The Director jests. Clearly, he is nothing but proud of the intelligence community he heads. He has reason to be. As he points out, governments around the world have arrested or deported hundreds of Soviet and East European spies over the past 12 months. Accurate intelligence has permitted the U.S. to thwart scores of terrorist actions. And morale is high at the CIA, the government's fastest-growing agency, which is striving for higher levels of professional analysis.

Nonetheless, controversy swirls as furiously as ever about the nation's secret agencies. One reason is surely the average American's healthy distrust of secrecy among public servants. Another reason is the dissatisfaction many citizens feel over some of the CIA's covert actions, past and present.

UPDATE's editors have designed this issue to acquaint your students with these controversies and with the way the intelligence community works. The package of articles, interviews, and charts, assembled by Associate Editor David Goddy, is unique. Like other issues of UPDATE, this one provides a classroom service that you can find nowhere else. *—The Editors*

CONTENTS

ISSUE DATES FOR THIS YEAR

Sept. 6	Sept. 20	Oct. 4	Oct. 18	Nov. 1	Nov. 15	Nov. 29	Dec. 13	Jan. 10
Jan. 24	Feb. 7	Feb. 21	Mar. 7	Mar. 21	Apr. 4	Apr. 18	May 2	May 16

SCHOLASTIC UPDATE PRE-TEST

(Use with this week's UPDATE on the U.S. Intelligence Community)

The U.S. Intelligence Community: Uncovering the "Secrets" of Other Nations

". . .Intelligence [about foreign affairs] remains a vexing and complicated affair simply because it is not altogether clear whether the American people and their political elite have decided that they really need and want a secret intelligence service.

"Certainly, accurate and detailed information is desired about the state of the world in general and intentions of potential antagonists in particular. *But there is often reluctance to provide the conditions in which a service of this kind can function effectively.* This refers above all to the issue of secrecy: offical secrecy runs against the American grain and is believed to be a threat to the American way of life, particularly as embodied in the Bill of Rights."

— Walter Laqueur in *A World of Secrets* (italics added)

General Directions: On the line to the left of each statement, write the letter of the choice that best completes the statement or answers the question.

A. U. S. INTELLIGENCE

Base your answers on the excerpt above.

___ 1. The term *political elite* refers to U.S. political (a) parties; (b) journalists; (c) leaders.

___ 2. The author suggests that the Bill of Rights (a) contains ideals of the American way of life; (c) protects official secrecy; (b) opposes official secrecy.

___ 3. The *italicized* sentence in the passage means that some Americans (a) aren't interested in what other nations are doing; (b) have mixed feelings about using secrecy to gather information about others; (c) don't want to pay the costs of intelligence-gathering efforts.

B. TRUE (T) OR FALSE (F)?

___ 1. The head of the CIA is a member of the President's Cabinet.

___ 2. The head of the CIA also oversees all other U.S. intelligence agencies.

___ 3. By law, the CIA must make public its annual budget.

___ 4. The CIA today is one of the fastest-growing federal agencies.

___ 5. The present-day CIA was formed by President John F. Kennedy's Administration (1961-63).

C. MATCH 'EM!

Column A

a. counterintelligence
b. covert operation
c. mole
d. SIGINT
e. cryptology
f. cover
g. ferret

Column B

___ 1. intelligence collected by technical means

___ 2. an agent who sets up a cover long before spying

___ 3. an activity sponsored by a government, but not done in its name

___ 4. the study of secret codes

___ 5. spying to uncover spies

D. IN OR OUT?

Check (√) each department that is NOT part of the U.S. Intelligence Community.

___ 1. Department of Energy
___ 2. Department of Agriculture
___ 3. Department of State
___ 4. Naval Intelligence
___ 5. Department of the Treasury
___ 6. Department of the Interior

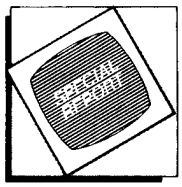
E. WRITE IT!

On the back of this paper, write a paragraph explaining why you agree OR disagree with the last sentence of the excerpt at the top of this page.

The Teachers' Edition of Scholastic Update (ISSN 0745-7065; in Canada, 2-c no. 9226) is published biweekly during the school year, 18 issues, by Scholastic Inc., 730 Broadway, New York, NY 10003-9538 for $19.00 per year. Second-class postage paid at Monroe, OH 45050-9998 and at additional mailing offices. **POSTMASTERS: Send notice of address changes to Office of Publication, SCHOLASTIC UPDATE, Box 2700, 351 Garver Rd., Monroe, OH 45050-2700.** Each Teachers' Edition includes a copy of the student edition and is supplied at no extra cost to each teacher subscribing as follows: 10-39 subscriptions, 1 copy; 40-69, 2 copies; 70-99, 3 copies; 100-129, 4 copies; 1 extra copy for each 30 additional subscriptions. Communications relating to subscriptions should be addressed to SCHOLASTIC UPDATE, P.O. Box 644, Lyndhurst, NJ 07071-9985. Canadian address: Scholastic-TAB Publications, Ltd., Richmond Hill, Ontario L4C 3G5. Listed in Reader's Guide to Periodical Literature. Available on microfilm through Xerox University Microfilms, Inc., 300 N. Zeeb Rd., Ann Arbor, MI 48106. Also available on microfiche through Bell & Howell Micro Photo Division, Old Mansfield Rd., Wooster, OH 44691. Printed in U.S.A.

LESSON 1

Special Report: The U.S. Intelligence Community



Content (Special Report, pages 4-7) A unique, in-depth look at U.S. intelligence agencies. With growing staffs and budgets and an increasing influence on U.S. policymaking, they leave some observers uneasy about their covert operations.

Objectives. With this feature, you can ask students to (1) identify the separate roles of the CIA, NSA, FBI, NRO, and other intelligence agencies; (2) give examples of open and covert intelligence-gathering operations; (3) evaluate the need for and the impact of covert activities by U.S. agencies.

Introduction. 1. Ask students to complete the following statement in their own words: "Most workers in the field of intelligence spend their time ___."

As students compare and discuss answers, help them to identify any "James Bond" stereotypes they may have. You might want to tell students that, in the 1980s, most intelligence workers spend their time processing and analyzing data. UPDATE's Special Report explains this work.

2. See the Pre-Test on page TE-2.

Questions to Guide Reading. 1. Why does the U.S. have several intelligence divisions? 2. Who controls what our spies do in secret?

Diagram-Reading Activity. Display the Poster on the U.S. Intelligence Community in this week's Teachers' Edition (pages TE-4 and TE-5). At the same time, have students examine a similar diagram on page 4 of their Student Edition.

Sample questions for reviewing the basic elements of the diagram:

1. What branch of the government runs U.S. intelligence operations? (*Executive*)
2. Apart from the President, who has the highest post in U.S. intelligence? (*Director of Central Intelligence*)
3. How many Cabinet departments are directly involved in U.S. intelligence? (*State, Defense, Treasury, and Energy*)
4. What does the makeup of the intelligence community reveal about national security priorities? (*Encourage students to draw inferences based on the departments and branches represented.*)

Guided Reading Activity. Students not previously familiar with the work of the National Security Agency should find the following questions a guide to the article about the NSA:

a. What event in the 1980s revealed the type of work done by the NSA? (*Soviet downing of the Korean Airlines jet*)
b. What three jobs were given to the NSA in 1952? (*To intercept and decode foreign communications, to protect U.S. codes and communications, to protect U.S. computers from tampering*)
c. How was the NSA involved in the Falklands Islands war in 1982? (*NSA broke Argentina's code*)
d. Why is NSA Director William Odom sometimes called the most powerful U.S. intelligence chief? (*Distribution and size of staff and budget*)
e. What worries non-government critics of the NSA? (*NSA's ability to eavesdrop on phone calls*)
f. Why do some government experts worry about the NSA? (*NSA has difficulty in analyzing all data that it collects*)

Discussion Activity. To help students integrate the contents of the individual articles in the Special Report, suggest that they skim each article for material on ONE of the following themes.

Modern Technology in U.S. Intelligence

Covert Activities and the "Cloak" of Secrecy

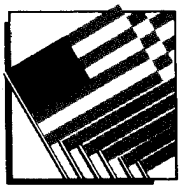
After checking the data they consider significant, discuss some basic issues implicit in this material: (1) Does modern technology cause as many problems for U.S. intelligence-gatherers as it solves? (2) Should covert intelligence-gathering be more regulated than it is? (Can it be more regulated?)

Evaluation. Ask each student to RATE EACH of the following aspects of intelligence-gathering on a scale of 1 (GREAT JOB) to 4 (AWFUL JOB). Conclude by discussing trends in students' ratings.

Covert operations abroad
Secret intelligence-gathering abroad
Code-breaking
Intelligence analysis

LESSON 2

210 Years of Controversy; and an Interview with CIA Director William J. Casey



Content (History, pages 12-14; plus Interview, 10-11). It took a long time for the U.S. to accept the need for government spies. DCI William Casey tells UPDATE readers why spies are needed today.

Objectives. With these features, you can ask students to (1) trace the major steps in the development of America's intelligence system; (2) evaluate arguments for increased secrecy surrounding U.S. intelligence operations.

Introduction. Take a "YES-NO" poll of students. Should U.S. intelligence chiefs, reporting to no one else but the President, be allowed to:

a. Plan a secret invasion of a Communist nation?
b. Take part secretly in a plot to overthrow the head of a Marxist state?
c. Give military and economic aid to rebels fighting a pro-communist government?
d. Infiltrate an enemy nation to learn its military plans?

Students who answer "YES" to a, b, and c, will probably point to the labels "Communist" and "Marxist" in justifying their answers. But focus their attention, too, on the notion of these agencies reporting to no one but the Executive Branch.

Ask: Is Executive oversight of spy-

(Please turn to page TE-6)

THE U.S. INTELLIGENCE COMMUN

The United States intelligence community has 12 main parts, all shown on this chart. As the arrows indicate, information—the lifeblood of intelligence—flows two ways. The U.S. President and other top policymakers request data from the agencies, which send back reports and briefings.

The 200,000 people who work for these agencies share one goal. They provide U.S. policymakers with "information about the capabilities, intentions, and activities of foreign powers, organizations, or persons and their agents," according to a 1981 executive order.

The National Security Council (NSC), an advisory group, meets with the President to hammer out U.S. positions on urgent matters. The Director of Central Intelligence (DCI), who coordinates all intelligence activities, speaks for the entire intelligence community at NSC meetings.

The Federal Bureau of Investigation (FBI), the intelligence community's sole law-enforcement agency, combats other nations' espionage efforts inside the U.S.—a task the CIA performs abroad. Various executive departments collect intelligence that helps them do their jobs.

AGENCIES OF THE U.S. DEPARTMENT OF DEFENSE

Nat'l Security Agency (NSA)
Responsible for "signals intelligence"—intercepting communications, breaking foreign codes. Protects security of U.S. communications.

Nat'l Recon. Office (NRO)
Reconnaissance agency that deploys and manages U.S. spy satellites.

Defense Intell. Agency (DIA)
Collects, produces, coordinates military intelligence.

Army Intelligence

Navy Intelligence

Air Force Intelligence

Marine Corps Intelligence

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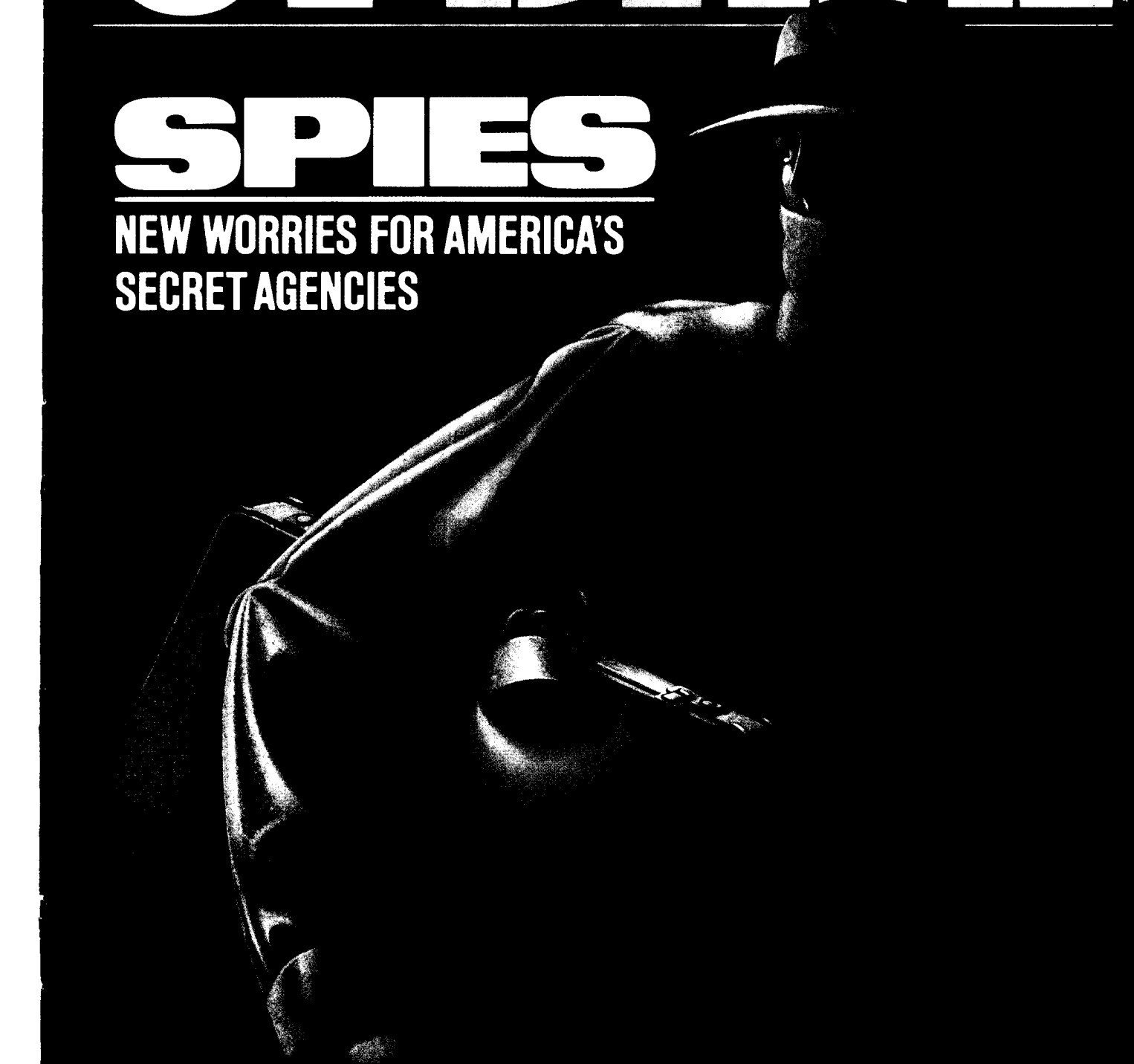
UPDATE

SPIES

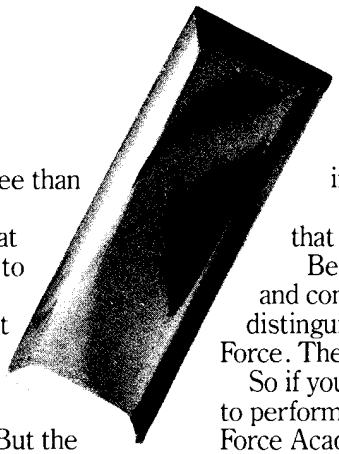
NEW WORRIES FOR AMERICA'S SECRET AGENCIES



EXCLUSIVE INTERVIEW:

CIA CHIEF WILLIAM CASEY

Four years of great performances will win you the ultimate Academy award.



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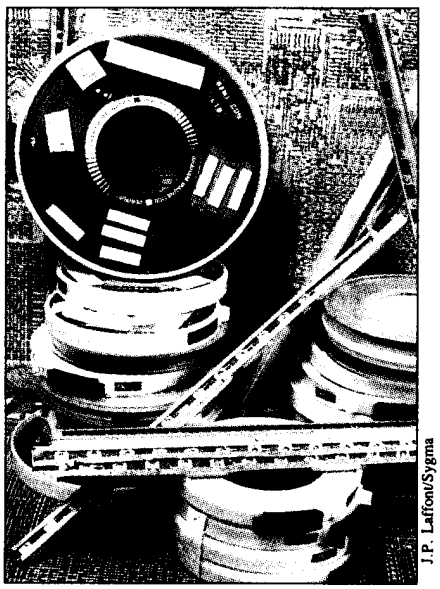
New Worries for America's Secret Agencies



J.P. Laffont/Sygma

The FBI seized this computer equipment just hours before it was to be passed to Soviet buyers. Keeping Soviets from U.S. technological secrets is a major focus of U.S. counterintelligence.

Editor of this issue: David Goddy

Cover illustration by Mark Fresh

NEXT TIME (April 18): "South Asia: India and Her Neighbors." From Afghanistan to Sri Lanka, the Indian subcontinent is embroiled in conflict. How does the region's history shape its present problems? What is the U.S. role in the area today? Why must India's prime minister walk a tightrope to keep peace in his nation? Look for answers in UPDATE's survey of "the other Asia."

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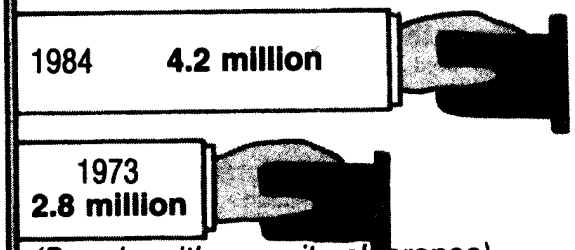
SPY WAR SCOREBOARD

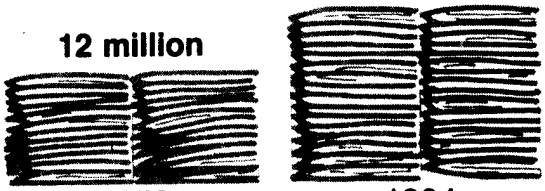
WHY IT'S HARDER FOR THE U.S. TO KEEP SECRETS

MORE PEOPLE HAVE ACCESS TO THEM . . .



(People with security clearance)

MORE DOCUMENTS ARE CLASSIFIED



(Number of secret documents)

WHO HAS SECURITY CLEARANCE

(Americans given access to secrets, by role)

U.S. Defense Department Employees:	2.4 million
Defense Contractor Employees:	1.2 million
Other U.S. Government Employees:	400,000

Source: Editorial Research Reports

National Security Agency[1]:	$5-$10 billion	65,000
National Reconnaisance Office[2]:	$2.5 billion	n.a.
Central Intelligence Agency[3]:	$2 billion	18,000
Defense Intelligence Agency[4]:	$0.5 billion	6,000
Total, All U.S. Intelligence:	$20 billion	200,000

PROFILE OF 46 SPIES: 1975-86

WHERE THEY SNOOPED

(Sources of data, by number of spies the U.S. caught)

U.S. Navy	15
Cent. Intelligence Agency	7
U.S. Army	5
Defense contractors	10
FBI	3
U.S. Information Agency	2
Defense Intell. Agency	1
Dept. of Energy	1
National Security Agency	1
Congressional committee	1

WHO THEY SNOOPED FOR

(Nations spies worked for, by number of spies caught)

Soviet Union	21
Soviet bloc nations	9
No particular nation	8
Vietnam	2
Ghana	2
Israel	2
Rep. of China	1
Libya	1

Source: U.S. Justice Dept.

WHAT U.S. INTELLIGENCE AGENCIES DO

1. Plan and Direct Information-Gathering
Identify the need for particular information, devise a way to gather it, deliver it to policymakers.

2. Collect Data
Gather raw information from public sources (news media), secret sources (spies and defectors), and through electronic and photographic surveillance (satellites, phone taps, etc.).

3. Process Data
Sort, translate, decode incoming information.

4. Organize and Analyze Data
Convert basic information into brief reports or lengthy studies.

5. Distribute Analyzed Data
Provide intelligence reports to policymakers, who use them as an aid in making decisions.

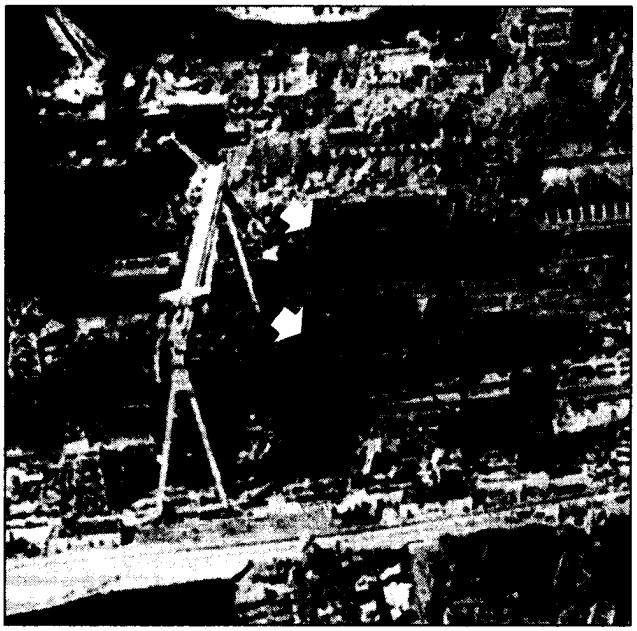
THE NEED FOR SECRECY IN AN OPEN SOCIETY

Americans are of two minds about the nation's intelligence agencies. They realize they're necessary. Yet they also recognize the threat they pose to the principle of openness in government.

Last August, three secret photos of a Soviet shipyard turned up in a British defense magazine. The photos had been taken by a U.S. KH-11 spy satellite, one of two that operate anywhere from 150 to 300 miles above the earth.

The release of the photos raised important questions about the role of secrecy in a free society. Those questions serve as a backdrop to this issue of UPDATE, which takes a hard look at the way U.S. spy agencies ferret out other nations' secrets and protect our own.

The photos—one of which is reprinted here—created a sensation. They gave people outside U.S. secret agencies a glimpse of a U.S. spy satellite's ability to keep tabs on the Soviet military. More importantly, however, they showed a nuclear-powered aircraft carrier—the Soviet Union's first—under construction. This new class of carriers will give the Soviet navy an unprecedented reach.



AP/Wide World

In 1984, a U.S. spy satellite spotted the stern (top arrow) and bow (bottom arrow) of a partly-built Soviet aircraft carrier. The man who leaked the photo to the press is now in jail.

The man who released the photos, Samuel Morison, was a civilian intelligence expert with the U.S. Navy. Morison described himself as a patriot—a man who hoped the photos would convince Americans of the need for military spending hikes.

But government lawyers who prosecuted him last October under a 1917 espionage law saw him differently. They described Morison as no better than a spy—someone who endangered the nation's safety by leaking secret documents to the press. A jury agreed with that description. Morison is now serving two years in prison.

Morison's case brought some tough issues into focus. For one thing, it showed Americans how difficult it is, in a society as open as ours, to keep any secrets under wraps. Morison is one of 25 U.S. citizens arrested for espionage during the past two years.

Also, the case reminded Americans of the potential perils of government secrecy. Americans pride themselves on their freedom to debate their government's goals and methods. They believe that the most responsive governments perform their duties in daylight, where they can be judged.

THREAT TO DEBATE

Morison's lawyers complained that their client's conviction would encourage the opposite practice—more secrecy in government. They called the government's use of the espionage law to stop press leaks a "threat to the First Amendment in its central purpose of protecting public debate about issues of public importance."

Yet, too much openness about matters of national safety can be dangerous, too. Even people who side with Morison's lawyers realize that. John A. Walker, arrested last year, sold the Soviets information about the U.S. Navy's most sensitive codes. That information, intelligence experts say, may have cost the lives of U.S. troops during the Vietnam War.

Still, many Americans have a lingering fear that government secrecy could serve as a shield for incompetence or misguided policies. In 1973, U.S. President Richard Nixon tried to hide evidence of wrongdoing behind the shield of "executive privilege." When the courts removed that shield, Nixon resigned from office.

In large part, observers say, the current controversy over the Central Intelligence Agency's covert operations stems from fear of excessive government secrecy. CIA chief William Casey recently defended such actions in an interview with UPDATE Associate Editor Maura Christopher. "Sometimes," he said, "our national interest requires an option that falls between sending a diplomatic note and going to war." He also pointed out that the CIA can act only if it informs the two Congressional committees that oversee U.S. intelligence agencies. The committees don't always support the actions. (See Interview, page 10, and Government, page 8.)

Such questions never trouble our major adversaries—the Soviets. Their society is a closed one, where little the government does is carried out in full view of Soviet citizens. (See World, page 18.) That's why U.S. intelligence organizations have to work so much harder than their Soviet counterparts to uncover political and military secrets. It's also why the U.S. must spend billions of dollars every year to gather the sort of intelligence data that the Soviets can pick up simply by reading U.S. newspapers.

TWELVE AGENCIES THAT TAKE THE WORLD'S PULSE

To the nation's leaders, intelligence is detailed, inside information about the world that helps them make crucial decisions. The job of the nation's intelligence agencies is to gather that information and deliver it to U.S. leaders when they can really use it—not afterwards.

To do that job, the U.S. relies on a community of 12 intelligence organizations. All are part of the Executive Branch, and all serve the President. The Director of Central Intelligence (DCI) coordinates all intelligence activities.

In this special report, UPDATE examines the nation's most influential intelligence agencies—the Central Intelligence Agency, the National Security Agency, and the Federal Bureau of Investigation. It also takes a close look at the role of the U.S. Congress in making sure that these spy and counterspy units stay within the law—and remain subject to public scrutiny.

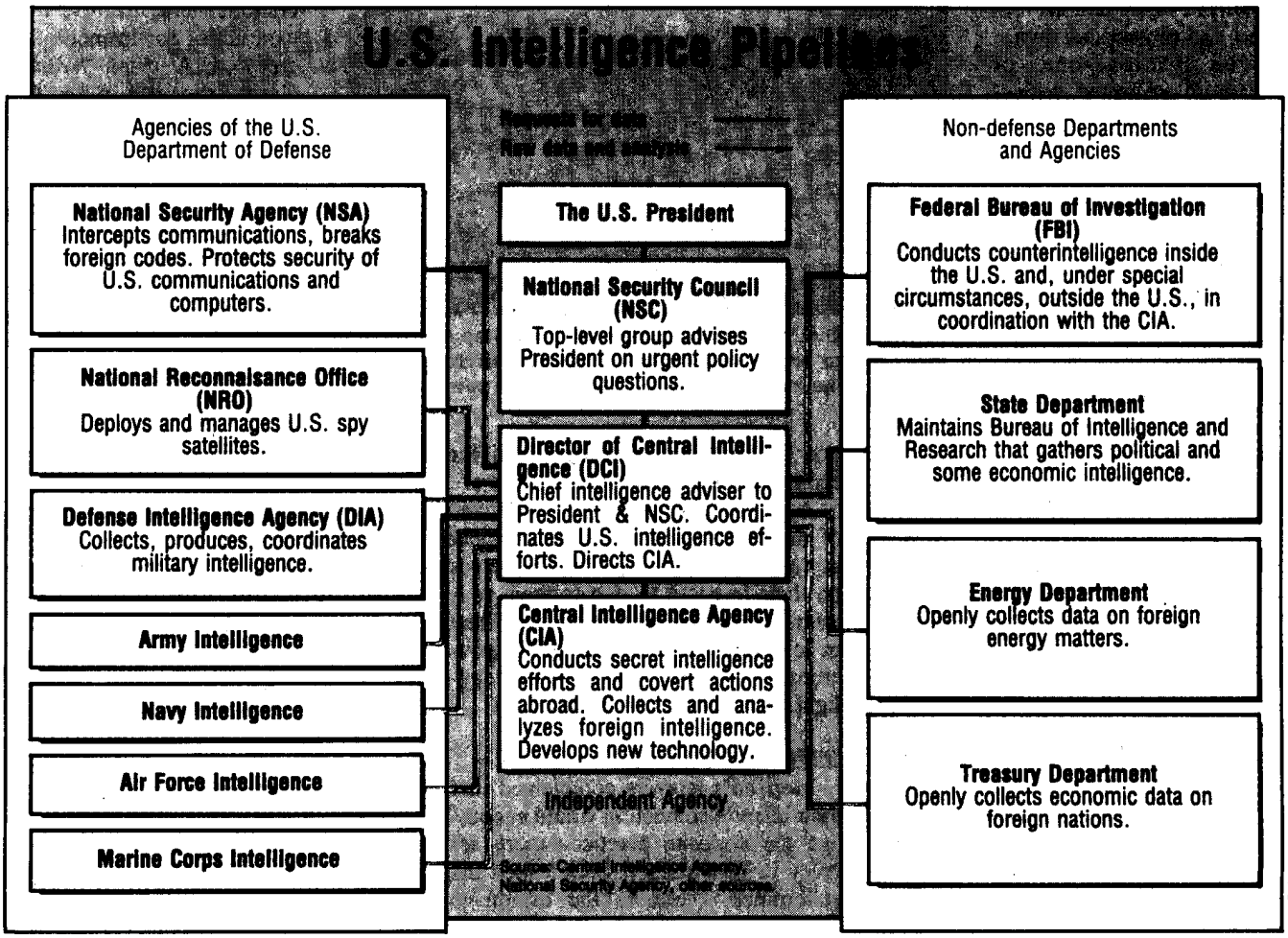
U.S. leaders rely on the nation's intelligence community to give them inside information before, not after, they must make crucial decisions.

The intelligence community has enormous resources at its disposal. Experts estimate that, all told, it directly employs about 200,000 people and spends perhaps $20 billion a year. Relatively little of its people and money goes for the sort of "cloak-and-dagger" spy operations made famous by movies and books.

BIG EYES AND EARS

Today's typical intelligence worker sits behind a desk or a computer terminal, trying to make sense of hundreds of pieces of information about a foreign situation or fast-changing issue. And most of his freshest information comes not from a human spy or informer, but from the "Big Eyes" and "Big Ears" of the vast U.S. network of spy satellites and electronic listening posts.

Despite their resources, these analysts and their bosses serve policymakers who are rarely satisfied. "I don't know what kind of intelligence I need," one Secretary of State reportedly said, "but I know when I get it."



THE CIA

THE SECRETS CHASERS

The Soviet tanker Lugansk sailed into Nicaragua's Puerto Sandino harbor—and hit a mine. The explosion, in March, 1984, also blew a hole in U.S. policy.

The mine had been planted by rebels working for the U.S. Central Intelligence Agency. CIA aid and training of the rebels, known as the *contras*, was an open secret. But top Members of the U.S. Congress, angered that the agency had not bothered to tell them about the mining, said it had gone too far. Earlier, Congress had cut off U.S. military aid to the *contras* and outlawed actions to topple Nicaragua's leftist government.

F. Lochon/Gamma Liaison

CIA headquarters outside Washington in Langley, VA, where most of its huge staff of analysts and case officers work.

Undercover operations such as the harbor mining have kept the CIA at the center of controversy since its creation in 1947. But covert actions, as such efforts are called, are only part of what the CIA does.

SPIES AND COUNTERSPIES

As the nation's top intelligence agency, the CIA conducts all secret spy and counterspy operations outside U.S. borders. It collects and analyzes intelligence information for the President and his advisers on the National Security Council. And the agency's boss, the Director of Central Intelligence, also heads the entire U.S. intelligence effort.

Spying is just one of the ways the CIA collects information on what's happening throughout the world. Most of its workers are highly trained analysts in areas such as foreign politics, science, and economics. They use a host of high technology gadgets, from satellite cameras to long-range microphones. They also rely on "open" or public sources—radio, TV, newspapers, scholarly journals, maps, even train and bus schedules.

In the 1970s, the U.S. Congress clamped down on the CIA following public revelations that it had spied on U.S. citizens and conducted assassination plots, secret wars, and coup attempts. Officials phased out some 800 staffers who directed spies and managed other intelligence projects. Agency morale plummeted.

But under William J. Casey, its chief since 1981, the CIA is flush with more influence, money, and workers than it's had since since the 1960s. One big reason is Casey's close personal ties to U.S. President Ronald Reagan. As the first intelligence director to become a member of the U.S. Cabinet, he has gained a major say in shaping U.S. foreign policy.

Casey's buildup, experts say, has made the CIA the fastest-growing agency in the U.S. government. Over the past five years, the agency's budget is said to have increased by 25 percent a year, to an estimated $2 billion. Its payroll is estimated at some 18,000 people, many of them at the CIA's sprawling suburban headquarters in Langley, Virginia.

For Casey, rebuilding the CIA's world wide spy network has been a top priority. Sophisticated technology, experts say, is no substitute for an agent on the scene. CIA case officers recruit most of the agency's spies among officials of foreign governments. Chief targets are Soviet-bloc intelligence or military agents, who are often lured by CIA promises of a Western lifestyle. That's how, CIA officials say, Soviet living standards give the U.S. an edge in convincing members of the Soviet spy agency, the KGB, to defect.

Double agents, who work for two or more nations at once, are a constant worry. Last fall, for instance, the CIA suffered a costly embarrassment when a former KGB agent, Vitaly Yurchenko, defected back to the Soviet Union. The agency had hailed Yurchenko's defection as a major success.

The CIA has also focused its beefed-up resources on analysis. The agency's budget for analyzing intelligence data is up 50 percent. Good analysis, experts say, is a painstaking process of organizing many different, often conflicting, pieces of information. The CIA issues reports on everything from Soviet military strength to population growth in developing nations.

COVERT REVIVAL

But nowhere is the CIA's new status clearer than in the agency's revival of covert action. Such projects are meant to influence foreign events without official U.S. involvement. The agency is said to be engaged in at least six major covert operations abroad and up to 50 smaller projects. For example, the CIA is said to have spent at least $80 million to build up the Nicaraguan *contras*, who are fighting that nation's communist-led government. In Afghanistan, it is channeling an estimated $75 million a year to Moslem rebel groups fighting Soviet troops, which have occupied their nation since 1979.

Some critics fear that the CIA is now too involved in making policy. David McMichael, a former CIA analyst, claimed in an interview with UPDATE that the Reagan Administration had distorted CIA data. The distortions, he says, made it seem as if Nicaragua was sending arms to leftist rebels in El Salvador. McMichael insists that CIA reports never said that.

Such accusations point to a serious danger, some say. Intelligence is meant to serve as a guidepost for policy decisions. When top policymakers change or ignore intelligence, they may make unwise decisions.

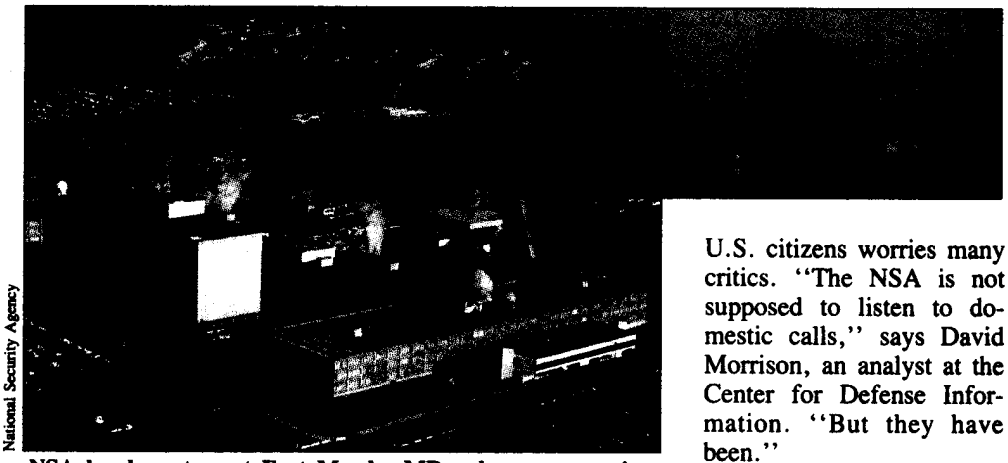
CIA backers discount such fears. The agency is finally back on its feet, they argue, and that is what really bothers its critics.

—Lourdes Rosado

THE NSA

THE EAVESDROPPERS

When an off-course Korean Air Lines jetliner was shot down in Soviet air space in 1983, Soviet officials claimed they knew nothing about it. Outraged, U.S. President Ronald Reagan moved quickly to prove the Soviets guilty of downing KAL Flight 007 and killing all 269 civilians aboard. Within days, U.S. Ambassador Jeane Kirkpatrick appeared before a shocked U.N. Security Council with top-secret evidence. U.S. listening posts in Japan had recorded the exchange between the Soviet fighter pilot who downed Flight 007 and the commander who ordered him to fire.



National Security Agency

Greg E. Mathieson/Gamma Liaison

NSA headquarters at Fort Meade, MD, where communications intercepted by secret listening posts are deciphered.

FINGER ON THE PULSE

The U.S. recording provided a rare public glimpse into the work of the National Security Agency (NSA), the nation's biggest secret agency. The NSA operates a worldwide network of listening posts, antennas, and computers that gather the bulk of U.S. intelligence. Experts say its equipment is capable of eavesdropping on virtually every international cable, radio signal, and phone call. "The NSA is the most important intelligence gathering agency we have," says Lieutenant Colonel John Buchanan of the Center for Defense Information. "It has its finger on the [world's] pulse."

The NSA does much more than listen, however. Created in 1952 as a separate agency inside the Defense Department, it has three main jobs. One is to intercept foreign communications signals and break codes meant to keep them secret. Another job is to protect the secrecy of U.S. codes and communications, including vital links to U.S. submarines and strategic missile defenses. The agency's third job is to protect the vast array of government computers against tampering.

In plain terms, the NSA is responsible for breaking and making codes. The agency considers cryptology—the study of codes—so important that it runs the National Cryptologic School to train experts. In intelligence jargon, communications signals are known as SIGINT, for signals intelligence.

Intercepted signals from around the world are relayed to NSA headquarters at Fort Meade, MD. There, rows of machines print them out. Then the signals go to mathematicians and linguists, who work to decode them with the help of banks of sophisticated computers. Without these experts, most NSA data would be useless.

One NSA worry is that a nation will adopt a more complex code for its communications. Today's computers can devise codes that are virtually unbreakable. During the 1982 war between Great Britain and Argentina over the Falkland Islands, the NSA broke Argentina's code. But, soon after, Argentina found out and switched to a tougher code.

MOST POWERFUL CHIEF

Nearly everything about the NSA is classified. So, one way experts measure the agency is by its size. The NSA is estimated to employ about 65,000 people—up to 24,000 at its headquarters alone. Most workers come from the military, and are assigned to the agency's listening posts around the world. Maintaining that network is costly. The NSA is said to spend up to $10 billion a year—possibly half of the entire U.S. budget for intelligence. These massive resources may make the NSA's director, Lieutenant General William E. Odom, the most powerful U.S. intelligence chief.

The NSA's ability to eavesdrop on U.S. citizens worries many critics. "The NSA is not supposed to listen to domestic calls," says David Morrison, an analyst at the Center for Defense Information. "But they have been."

NSA officials say such fears are exaggerated. In the U.S., the agency requires court permission to monitor a U.S. citizen's calls. Abroad, it needs the okay of the U.S. attorney general, who must decide that the NSA target may be a foreign agent. Only U.S. citizens in touch with foreigners who are being watched run much risk of being overheard. And, experts say, computers can't monitor human speech. For that, the NSA must rely on workers to transcribe conversations, which is very time-consuming.

THE ANALYSIS GAP

What most worries many experts is the gap between collecting information and analyzing it. According to U.S. Congressional experts, about 85 percent of the intelligence the U.S. collects comes from technical sources. But, they say, the agency's analysts lack the manpower and resources to keep up with the data flow. In fact, NSA chief Odom warned in 1982 that "the big intelligence failures of the 1980s and 1990s are likely to be in analysis." The problem is that the agency finds it easier to win budget approval for expensive hardware than for intelligence efforts by humans, known as HUMINT.

Is the NSA correcting that weakness? Few people outside the agency are likely to find out. "The NSA is super-secret," an aide to the Senate Select Committee on Intelligence told UPDATE. "There's so little anybody's willing to say. I don't want to get caught saying anything to do with the NSA." —Deborah Sussman

THE FBI

THE SPY-CATCHERS

Barbara Walker had lived with the secret for 16 years. Her former husband, John Walker, was running a spy ring for the Soviet Union. In November, 1984, she finally made up her mind to turn him in. So, she called the Federal Bureau of Investigation. Months later, the FBI arrested her ex-husband, his brother, a family friend, and her 22-year-old son.

For the FBI, the Walker case was the high-point of its busiest spy-catching year since World War II. Most U.S. citizens know the FBI as the government's famed crime-busting arm that catches bank robbers, kidnappers, and mobsters. But today's FBI is concentrating more agents and resources than ever on catching spies.

The FBI has responsibility for all anti-spy efforts, known as counterintelligence, within the U.S. (The CIA fights anti-U.S. spying abroad.) To do the job, the FBI relies mostly on its own investigations. Cases springing from a sudden tip are rare.

Fitzgerald/Gamma Liaison

FBI agents carrying evidence to the trial of Arthur Walker, who was convicted of stealing U.S. secrets for a family spy ring. His brother, John Walker, sold them to the Soviets.

FOLLOWING UP TIPS

"Every day, some people do call in claiming to know a spy, but very few of those calls lead to something," says Bill Carter, an FBI spokesman. Still, the bureau follows up on every call it gets. In the Walker case, it was several weeks before an agent interviewed Barbara Walker at her home. Only then did the FBI pay serious attention to her claims.

William Webster, the FBI's chief, calls its usual strategy of catching spies the "spiderweb" approach. The bureau carefully watches anyone it suspects may want to buy classified information. Most suspects are foreign diplomats or business executives. If someone with access to U.S. secrets contacts the foreign suspect, the FBI increases its surveillance to find out if an illegal deal is in the works.

The FBI works to nab the U.S. "contacts." "Selling your country's secrets is an evil deed," Webster recently testified before the U.S. Congress. "Those who do it deserve to be caught and punished."

The FBI won't say how much money it spends on counterintelligence or how many agents it assigns to it. But sources in Congress say its spy-catching resources have tripled since 1981. Others say the bureau may be devoting 20 percent or more of its yearly $1.2 billion budget and its 8,956 agents to counterintelligence. The FBI has also added sophisticated computers that can cross-reference tips and collect information.

FBI officials say their increased spending is paying off. More than half of the 46 spies the U.S. caught between 1975 and 1986 were nabbed in 1984 and 1985. "From the results of the last two years it appears that the FBI is doing a good job catching spies," says Alan Adler, a researcher at the Center for National Security Studies. "But there's no real way of judging since we don't know how many spies are out there."

GETTING TOUGH

Experts also credit a tough new policy for the quick rise in spy arrests. Since 1981, President Reagan has instructed the FBI to arrest and prosecute all spies it finds. In the past, officials hushed up many spy cases, believing that publicity could hurt U.S. interests. Instead, the FBI would often try to persuade a spy to work secretly for the U.S. as a double agent. In return, the bureau would drop criminal charges. "The new policy of arrests every time is aimed at deterring other Americans from spying," Adler told UPDATE.

Some critics worry that, in their zeal to catch spies, FBI agents investigate and harass many innocent Americans. For example, the FBI investigated Samantha Smith, the Maine schoolgirl who wrote a letter to Soviet leader Yuri Andropov and visited the U.S.S.R. as his special guest. Smith died in a plane crash last year, but the FBI refuses to release its file on her. "The Smith file is still classified for national security reasons," a bureau spokesman said recently.

Members of Congress who investigate complaints against the FBI say they believe the agency only rarely violates citizens' rights. "There are a few isolated incidents, but in general the Bureau has not overstepped its bounds," says U.S. Representative Don Edwards of California, who heads the subcommittee on such matters for the House Judiciary Committee.

BROAD SUPPORT

Many say the FBI's record success in 1984 and 1985 resulted from broad government support for efforts to stop the loss of U.S. secrets. "Congress is behind Webster and what he's doing to make counterintelligence more effective," an aide to Edwards told UPDATE. That kind of backing, experts suggest, is what's needed to keep the FBI's spy-catchers well-equipped and on their toes.

The more spies that the FBI snares, they say, the more that lawmakers will come to see spying as a real danger. "We may look back on this past year as the time in which a new consensus emerged in American politics on the need to improve counterintelligence," says Roby Godson, a professor at Georgetown University and an authority on intelligence issues. If 1985 was the "Year of the Spy," Godson and other experts say, the FBI's work may well make the 1980s into the "Decade of the Spy-catchers."

—Clare McHugh

LAWMAKERS VS. THE CIA ON COVERT OPERATIONS

The CIA and Congress agree in most areas—except covert operations. The key reason, experts say, is that many in Congress oppose the Reagan Administration's foreign policy goals.

Last fall, Washington observers opened their morning newspapers and shrugged at the reports of a new round of angry charges on Capitol Hill. The U.S. Congress's intelligence committees and William Casey, the Director of Central Intelligence, were quarreling again.

This time, Senator David Durenberger (R-MN) complained that Casey's Central Intelligence Agency lacked a "sense of direction." Casey, in turn, accused Durenberger of carelessness. The Senators who oversee the CIA, Casey said, had placed sensitive intelligence sources at risk.

As usual, aides on both sides managed to smooth their bosses' ruffled feathers within a few days. Still, the rift raised questions about Congress's ability to oversee U.S. spy agencies. The public depends on the intelligence committees to keep an eye on the agencies. But Members of Congress worry that they don't always get the full story from CIA officials. When that happens, they warn, they can't do their job.

Until Congress created these committees, virtually no one—in or out of government—looked over the CIA's shoulder. So much secrecy, critics said, was unhealthy. Investigations in the mid-1970s revealed that the agency had broken U.S. laws, spied on citizens, and considered assassination plots against several foreign leaders.

Many Members of Congress vowed that the agency would never again operate without strong checks on its power. So, in 1976, the Senate set up a committee to oversee the CIA and other U.S. intelligence organizations. The House of Representatives set up its panel a year later. The committees' main job is to review intelligence spending and activities. The committees also grade the CIA's performance.

The agency's report card, however, remains largely classified. Just as the CIA guards its secrecy, the oversight committees hide much of their work from public view. The members work in secret, and hearings are held in soundproof, heavily guarded meeting rooms.

For the most part, suggests one intelligence expert, committee members and intelligence officials work together smoothly. "There are some areas of disagreement," says Roy Godson of Georgetown University. "But there are many areas that are free from strife. The relationship is much better than the newspapers suggest."

AGREEMENT ON STRENGTH

One reason for smooth relations is that both sides agree on the need for a strong U.S. intelligence system. Better intelligence can help the U.S. combat spying at home and terrorism abroad. Congressional oversight also helps boost the CIA's image in the eyes of a suspicious public. "It's very important to the public that the people have a way of checking on the intelligence agencies," Godson told UPDATE. "The oversight committees establish the agencies' credibility."

Only one area of CIA operations—covert actions—still touches off bitter debate. Covert actions are secret attempts to shape events or politics of other nations or regions. Most covert actions are minor, almost routine projects. For example, a CIA case officer may suggest that a foreign newspaper editor write an editorial with a pro-U.S. slant. The intelligence panels okay such actions with a nod. It is other covert actions—the ones that appear to be undeclared wars or major foreign policy actions—that cause some committee members to balk.

One question members often ask is whether the U.S. has the right to interfere in another nation's politics. "Just because there is tension between secrecy and openness doesn't mean you should never undertake covert operations," says Jay Peterzell, a specialist with the Center for National Security Studies, a private research group. "But it's hard to write this into law."

One much-disputed proposal to plug leaks of CIA plans is to conduct lie-detector tests of all who see such secrets.

Peterzell also warns that covert actions, if managed badly, risk drawing the U.S. into war. "It's a slippery slope between paramiliary action and going to war," he says. "We might sooner or later find we have to send in troops to back up our [covert] activities."

Most often, however, members of the intelligence committees object to covert action because they don't like Administration's foreign policy. "People who don't approve covert action don't approve the politics behind it," says George Carver, an expert at Georgetown University's Center for Strategic Studies.

Carver, for one, argues that many who oppose an aggressive U.S. action in Central America would approve such an effort elsewhere. "If we were going to do a little covert action to give [South Africa's president] Pieter Botha a shove toward reforming apart-

heid," he told UPDATE, "they'd be all for going." Carver is a former high-level intelligence officier.

The current political controversy swirling around U.S. covert operations in Nicaragua supports Carver's point. Since 1981, the U.S. has aided rebel groups, known as the *contras*, that are fighting that nation's leftist government. Most intelligence panel members who oppose covert aid to the *contras* are Democrats. They also tend to oppose the Reagan Administration's overall policies in Central America. "The way to [block] the policy is to protest the covert aid," says Godson. "They do not want to give aid to the *contras* whether it is secret or not."

The CIA doesn't need Congress's permission to begin a covert action. So, the only way Congress can stop covert activities it doesn't like is to cut off the funding, protest to the President, or pass a law forbidding certain uses of covert aid.

In 1982, for instance, Congress banned any covert aid meant to help overthrow Nicaragua's government. President Reagan, however, managed to persuade Congress to give $27 million in non-military aid to the *contras*.

President Reagan recently asked for $100 million in covert aid for the contras—$70 million in military aid, and $30 million in non-military aid. But he faced stiff opposition.

ADVANCE NOTICE

Such deadlocks have occured frequently in recent years. The 1974 Hughes-Ryan Act required the CIA to tell Congress in "a timely manner" about its covert activities. "Congress thought this meant in advance, and the CIA thought this meant before the end of time," says Peterzell. In 1980, Congress changed the act. It now says the CIA must inform the intelligence committees of its actions *in advance*.

On paper, this relationship seems clear. But in real life, says Peterzell, "The committees only get information by pushing hard for it, and even then they may not get all of it."

In early 1984, for instance, the two oversight panels were enraged to learn through news accounts that the CIA planted mines in Nicargua's harbor. Many Members of Congress called the mining an act of war. The Senate committee's vice-chairman at the time, Patrick Moynihan (D-NY), resigned in protest. Later, he returned to his post.

But, before the furor died down, press reports revealed another surprise. In early 1983, the CIA had printed a manual that urged the *contras* to kill and kidnap Nicaraguan officials. These two episodes, committee members complained, showed that the CIA had ignored Congress's ban against trying to overthrow Nicaragua's government.

LACK OF TRUST

The CIA's reluctance to keep Congress informed show a lack of trust on both sides, outside observers say. The result: Congress worries that it never has the full story, while the CIA fears that Congress is the source of leaks to the media.

Last November, for example, the *Washington Post* reported on its front page that the CIA planned a covert operation to weaken the government of Libyan leader Muámmar al-Qadhafi. This leak killed the plan, which many—even in the CIA—said was too risky. Administration officials suggested that Members of Congress leaked the news.

On the other hand, Members of Congress say Administration officials leak secrets to the media more often than they do. Patrick Leahy (D-VT) has called the Reagan Administration's record on leaking "the worst ever" compared with earlier Presidents' administrations.

One case in point, Leahy says, is U.S. policy toward Afghanistan. Since 1982, the U.S. has supplied Afghan rebels with $75 million worth of military equipment each year. The rebels are fighting Soviet troops, who have occupied their country for six years. In May, 1983, top Reagan aides leaked the U.S. role to the media to demonstrate the President's tough anti-Soviet stance. In answer, the Soviets stepped up their assault, heightening the war.

SMOOTHING RELATIONS

Despite some lingering hard feelings, the CIA and Congress appear to be resolving their differences. Last month, the CIA gave Congress an outline of its future plans for the first time ever. U.S. officials also suggest using polygraph tests on government employees as a way to plug leaks.

Less far-reaching is a suggestion to combine the two intelligence committees. "Congress must reduce the number of people with access to secrets," says Larry Sulc, head of the Nathan Hale Institute, a research group. "Not that they hand out information, but it is the nature of politicians to talk too much."

Such approaches, however, are patchwork solutions. The only way to solve the tensions over covert actions, suggests Godson, is for the President's team and Congress to agree on foreign policy goals. But few observers expect this to happen any time soon.

—Maura Christopher

***Contra* rebels have depended mostly on secret CIA aid to wage their fight against Nicaragua's leftist government. The CIA link has sparked a continuing battle between President Reagan and the U.S. Congress, which has cut off most aid.**

SPY CHIEF WILLIAM CASEY LOOKS AT THE SECRETS TRADE

In an exclusive interview, the nation's intelligence director says stepped-up efforts to counter Soviet espionage are a must. "The need to protect national security," he argues, "is absolute."

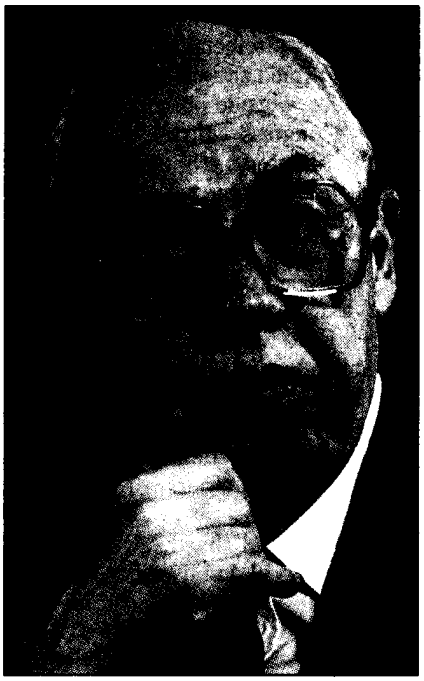
William J. Casey, 73, first tasted espionage work during World War II. He coordinated French resistance fighters, then rose to head U.S. secret intelligence operations in Europe. An expert on tax law and a self-made millionaire, Casey held a number of top U.S. posts in the 1970s.

In 1980, Casey managed Ronald Reagan's successful Presidential campaign. Soon after, he was appointed Director of Central Intelligence. Associate Editor Maura Christopher recently spoke with Casey at CIA headquarters in Langley, Virginia.

Update: *What is the goal of U.S. intelligence?*
Casey: It is to collect and evaluate information to see what is happening around the world that can affect our national interests. This is becoming increasingly important, because the world is becoming more interdependent. There are new military threats, huge arsenals of weapons being built, terrorist organizations, and people stealing our technology. We need to protect ourselves against these things.

ADVISING THE PRESIDENT

Update: *As Director of Central Intelligence, you have three roles. You advise the President, you head the CIA, and you oversee the intelligence community. Which is the most important?*
Casey: They are very much interrelated, but it all boils down to being [chief intelligence] adviser to the President. That is the most important. Running the CIA is a managerial job. Running the intelligence community is a coordinating job. There are 11 additional [organizations] in the intelligence community. I am chairman of the National Foreign Intelligence Board, which pools information from all of them into National Intelligence Estimates. I see to it that these are put together for the President.


D. Goldberg/Sygma

William Casey is widely credited with rebuilding the CIA, in part by promoting first-rate agency staffers.

Update: *One of the purposes of intelligence is to guard against surprises, but world events often seem to catch the U.S. by surprise. Why?*
Casey: Everybody gets surprised. But I don't think we have had a meaningful, significant [surprise] in the last five years. You have surprises because intelligence is not perfect.
Update: *What about terrorist attacks?*
Casey: Any terrorist who decides to act doesn't advertise it. You've got to be very lucky to catch all or even a large portion of them. We frustrate terrorist attacks by learning about them and taking action. Over the last year, we've [prevented] about 200 terrorist attacks. Sometimes we whisk the target out of the country, or we put a protective guard around the place.
Update: *Many people view espionage as cloak-and-dagger spying. Is it?*
Casey: I don't want to disillusion anyone, but [spying] isn't the main part of intelligence work. Most of our people have advanced degrees. There are analysts, scientists, and economists involved. They take information and sift it to see what it adds up to.

We spend a lot of money collecting information. We'll put a camera somewhere that picks up a lot from open sources. There are apparatuses that pick up sounds, electronic pulses, or seismic signals of underground explosions. We do have people who deal with people around the world who want to help us. Sometimes they are called spies. But there are many more people involved in analyzing the information than in collecting it.

CATCHING MORE SPIES

Update: *Why are we hearing so much about enemy spies? Are their numbers growing, or are we catching more?*
Casey: There's one unusual thing about counterintelligence: If you catch a lot of spies, that can show that your intelligence service is bad, and if you don't catch any, that can show it's bad, too. We have been catching many more spies in the past two years. That's because we've been successful in learning about other espionage activities. More important, over the last two or three years there have been 200 Soviet and East European spies arrested or kicked out of nations around the world. That's a big loss for them. Then there are a number of very high level defectors who have asked for refuge here. That's pretty bad for hostile intelligence services, because the defectors usually have a lot of information to give us.
Update: *Are the Soviets sending more agents into the U.S.?*
Casey: They have had, for some time, a big, sweeping effort to get our blueprints, our technology, and our sophisticated products. They can learn from them and copy them. That's a very big activity.
Update: *The CIA tracks espionage abroad. The FBI tracks it in the U.S. How do you coordinate your actions?*
Casey: We work together very closely. If we get a lead on somebody who

is coming into this country, we pass it over to the FBI. And it works the other way. They have liaison people at our headquarters, and we have them at theirs. There used to be some friction, but that was washed away long ago.

Update: *How successful have enemy spies been in gathering our secrets?*

Casey: They have learned a lot about our technology and our military secrets. First, they are working in an open society. They can come here and roam around. All they have to do is buy a newspaper, or go to the *Congressional Record* office. Material is available for the asking. They have the problem of sorting through it. I don't know if I envy them.

Update: *What are their gains worth?*

Casey: They're worth billions of dollars a year [to the Soviets]. If they had to develop, by research and testing, some of the technology they are able to steal from us, it would cost them a great deal of money.

Update: *How much damage have recent spy cases caused to the U.S.?*

Casey: It takes a while to determine how much damage a spy has caused, because you don't know how they use the information. We think codes were broken, and we think [the Walker spy ring, which sold Navy secrets] gave them communications information.

We probably lose more information through the media by unauthorized leaks. Then there is *Aviation Week & Space Technology* magazine, which covers this technology. We have to run a big operation to get this sort of information from closed societies. All their spies must do is buy a magazine.

COUNTERSPY EFFORTS

Update: *How successful have we been in penetrating Soviet spy operations?*

Casey: We know they get very nervous, so we don't like to brag about that. I can tell you one thing: We always want to have more success.

Update: *What is being done to prevent further espionage losses?*

Casey: We have increased the strength of the FBI. We've come closer to placing the kind of restrictions on travel for hostile diplomatic personnel that they place on us. We were pretty loose on that. We've improved our security and our counterintelligence capability.

Update: *More than 4 million people have access to U.S. classified information. Would cutting their numbers solve our security problems?*

Casey: Probably not entirely. We've been reducing security clearances somewhat, but there is a big problem. Intelligence is useful because it is used. If you restrict it too severely, you take some value away. But if you use it too widely, you make it vulnerable. We aim for the right balance.

Update: *How valuable are lie detector tests in preventing spying?*

Casey: They are very valuable. They help us to investigate. But we never act on the polygraph needle alone. The polygraph is a guide to show [what] a person is a little unsure about. Then we ask questions. Of the people we don't hire because they are security risks, we catch 90 percent in the give-and-take of interrogation. After the needle flicks a little, they admit that they have done something.

Update: *Should the U.S. expand its use of such polygraph tests?*

Casey: I don't think we have to expand it. We should use it more aggressively and focus our effort. I don't think we have to polygraph everybody in the world. We may want to polygraph people who have access to very secret information. Or people who—when a story gets out that shouldn't—had that story. But testing should be selective, not wholesale.

Update: *Where do you draw the line between the government's need for security and the public's right to know?*

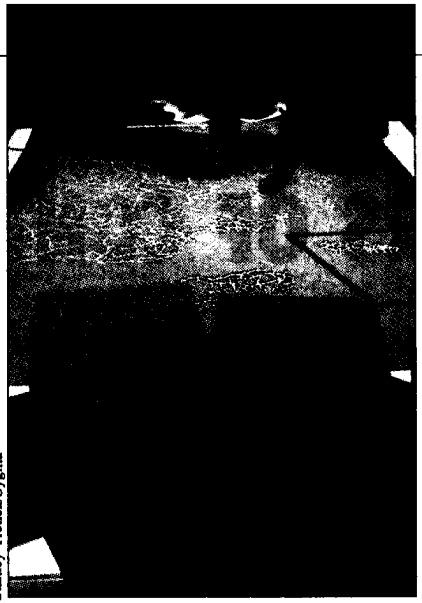
Casey: The need to protect security is absolute. A lot of time, people classify information that isn't important. But if something is essential to national security, I don't think any unauthorized person has the right to know.

Update: *What about possible government intrusions on citizens' privacy?*

Casey: We gather all of the information we can within certain limitations. We can't poke in on American citizens—our work is abroad. The FBI can poke in on American citizens, if it has reasonable cause.

Update: *What lures U.S. citizens to spy for foreign nations?*

Casey: Lots of things. There was one guy in San Francisco who was lured by sex. Some people are angry at their country, and they do it for that reason. The Walkers were lured by money. That's the big reason.



Stanley Treick/Sygma

Poring over maps is part of the careful process of analyzing intelligence data to produce reports for policymakers.

COVERT OPTIONS

Update: *Why does the CIA carry out covert actions?*

Casey: Sometimes our national interest requires an option that falls between sending a diplomatic note and going to war. By law, the President can authorize such steps. The two committees of the U.S. Congress are briefed, and we carry out these activities. We don't, however, go around assassinating people.

Update: *What do you say to people who believe that it's improper for the U.S. to undertake covert actions?*

Casey: I disagree with them. The Soviets have a huge, worldwide apparatus that carries out propaganda, smuggles arms, and stirs up trouble, while keeping their hand hidden. If we couldn't respond to that, we would be disarming ourselves against a whole range of threatening activities.

Update: *You criticize the Congressional committees which oversee the CIA. Why?*

Casey: Oversight should be done quietly, discreetly. Going out and spouting in public is a breach of confidence. It can damage our intelligence capabilities and the confidentiality needed to deal with other nations.

Update: *The CIA has recovered from years of low morale. What changed?*

Casey: Our people realize the President is supporting them, and that Congress is supporting them. Their information is sought after. They respond to that challenge. Ten years ago, Congress was kicking them around, and the media was kicking them around. Ronald Reagan turned that around.

SPIES AND COUNTERSPIES: 210 YEARS OF CONTROVERSY

Protected by vast oceans, the U.S. was a latecomer to world espionage. But its role as a global power has forced U.S. policymakers into an uneasy reliance on intelligence agencies.

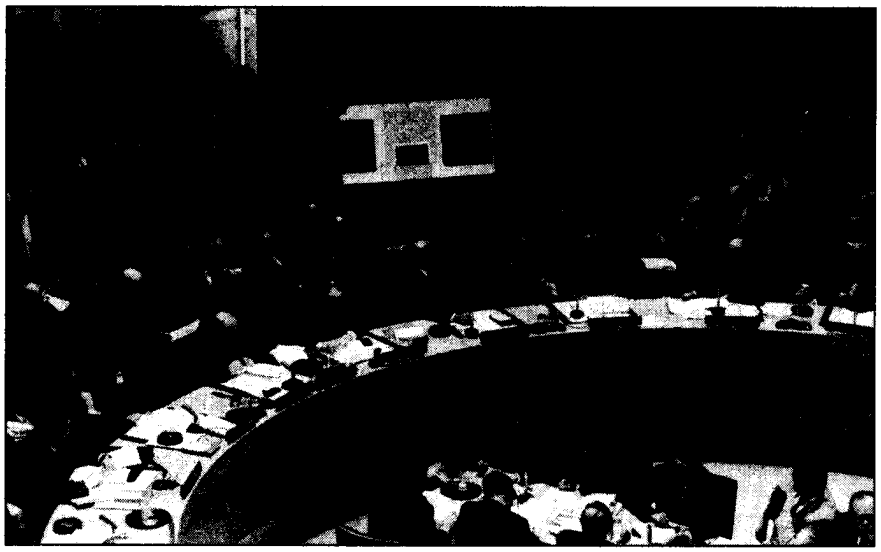
In 1929, U.S. Secretary of State Henry L. Stimson was astonished to learn that his department was running an espionage operation. The agency, known as "the Black Chamber," had been set up 12 years earlier, during World War I. Since then, with the aid of Western Union and other cable companies, the Black Chamber had secretly—and quite illegally—intercepted and decoded messages sent by at least 18 foreign governments.

During sensitive naval disarmament talks in 1921, the Black Chamber had deciphered dispatches that revealed the bargaining strategy of Japanese diplomats. Using that inside information, U.S. negotiators won greater reductions in Japan's fleet of battleships.

But Secretary Stimson was far from pleased by these achievements. He angrily ordered the Black Chamber to shut down its operations and disband its small staff of cryptologists. "Gentlemen," he declared, "do not read each other's mail."

The story of Stimson's outrage has amused foreign diplomats ever since. Even in Stimson's time, espionage was largely accepted as a fact of life. It may be illegal, but nearly every government spies on its enemies and allies without worrying if it's right or wrong.

Stimson, however, expressed a traditional American distrust of spying. U.S. citizens have always taken pride in their nation's open society, where people are free of government surveillance. On the other hand, as a global power, the U.S. must know as much as it can about the plans and strengths of its potential enemies. Striking the proper balance between these conflicting needs has long been a problem for Washington policymakers, as this look at U.S. intelligence history shows.



United Nations

U.S. officials displaying spy plane photos at the U.N. Security Council during the Cuban Missile Crisis in 1962. The photos show launch sites for Soviet nuclear missiles being assembled. The crisis ended with the missiles' removal.

Generations of schoolchildren have learned that one of the greatest heroes of the American Revolution was Nathan Hale—a spy. While George Washington battled to defend New York, he sent Hale to scout behind British lines disguised as a schoolteacher. Hale was captured and hanged the next day.

The textbooks usually didn't mention that, in 1776, soldiers considered espionage a shameful side of warfare. Hale was the only officer in his unit willing to volunteer for such a dishonorable duty. A more common attitude toward spying was the public's horrified view of Benedict Arnold, one of Washington's generals, who sold battle plans to the British. Ever since, Arnold's name has stood for treason.

FEW FOREIGN THREATS

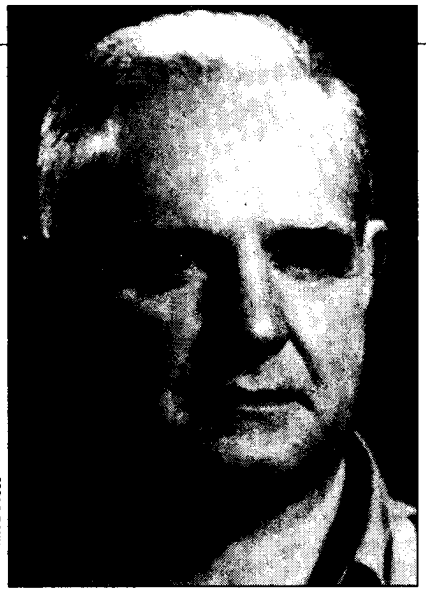
For most of U.S. history, the nation's leaders didn't bother to develop a large intelligence network. Bordered by vast oceans and located far from the intrigues of Europe, the U.S. didn't face a serious foreign threat to its security until World War II. The Army and the Navy each maintained tiny, inadequate intelligence departments. Many U.S. Embassies had military attachés, who were supposed to observe foreign military activities. But these attachés learned little information that was useful—except, critics said, the gossip they overheard at embassy dinners.

On December 7, 1941, America would pay dearly for inadequate intelligence. Early that morning, a U.S. Navy listening post intercepted and decoded a Japanese radio message disclosing that war with the U.S. would soon begin. But because of poor communications links, the decoded message didn't reach the U.S. commander in Hawaii for another 16 hours. That was seven hours too late to warn of the Japanese sneak attack on the naval base at Pearl Harbor. The attack, which destroyed most of the U.S. Pacific fleet, was one of the greatest intelligence failures in history.

Henry Stimson, now Secretary of War, at last realized that he was not dealing with gentlemen. His War De-

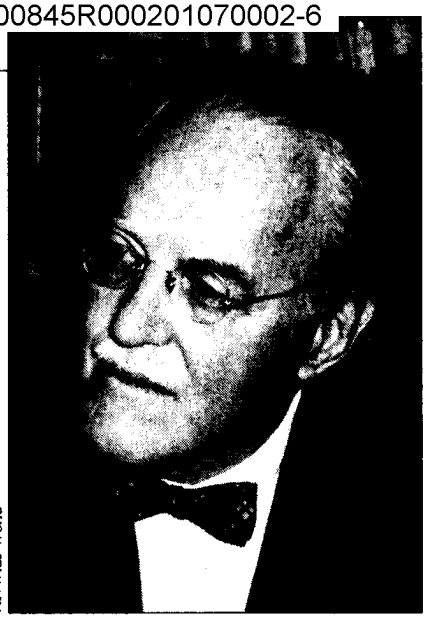
Keystone View Co. Inc.

As Secretary of State in 1929, Henry Stimson said codebreaking was improper. In wartime, he changed his mind.



Associated Press

William "Wild Bill" Donovan, who led strategic intelligence in World War II, inspired a generation of CIA officials.



AP/Wide World

During Allen Dulles's term as CIA chief (1953-1961), his brother, John Foster Dulles, was Secretary of State.

partment promptly created a top secret "Special Branch," which intercepted and analyzed enemy communications. MAGIC, the Special Branch's codebreaking team, fed a daily stream of information to Allied commanders.

AIDING RESISTANCE FIGHTERS

In June, 1942, President Franklin Roosevelt set up America's first fully coordinated intelligence agency, the Office of Strategic Services (OSS). Its chief was William "Wild Bill" Donovan, a hero of World War I and a diplomat. Under Donovan, the OSS conducted a wide range of covert operations, including psychological warfare. It also coordinated aid to resistance forces in Europe and Asia that fought to free their nations from Nazi and Japanese rule.

President Truman dismantled the OSS at the end of World War II in 1945. But only two years later, growing Soviet-American tension spurred Congress to pass the National Security Act, which created the Central Intelligence Agency.

Some Members of Congress feared that the CIA might develop into a secret police force. So, lawmakers barred the new agency from carrying out counterspy work within the U.S. That job was reserved for the Federal Bureau of Investigation. At first, the CIA was assigned only to coordinate U.S. intelligence activities and evaluate information collected by other agencies.

But, as the Soviet Union tightened its grip on Eastern Europe, the CIA hired former OSS agents to conduct covert operations against hostile governments. Within just a few years, the CIA had more than 5,000 employees involved in covert actions. In 1953, the agency toppled an unfriendly regime in Iran and replaced Shah Reza Pahlevi in power. The following year, CIA agents helped overthrow an elected but pro-Communist government in Guatemala.

Not all CIA operations during the Cold War succeeded. In April, 1961, about 1,200 Cuban political exiles landed at Cuba's Bay of Pigs in an attempt to overthrow its pro-Soviet leader, Fidel Castro. CIA officers, who backed and trained the invaders, predicted they would be joined by underground fighters inside Cuba. But the uprising never occurred, and the invasion was crushed.

CUBAN MISSILE CRISIS

The CIA was able to repair its damaged prestige a year later, during the Cuban missile crisis. At first, U.S. intelligence officers discounted reports that the Soviet Union was placing nuclear missiles in Cuba. But John McCone, the chief director, had a hunch that "something new was going on." He ordered aides to take another look. Sure enough, U-2 spy planes soon produced photos of Soviet missile bases under construction. Armed with CIA evidence, President John F. Kennedy forced the Soviets to withdraw their missiles before they were targeted at the U.S.

Infighting between military and civilian intelligence officials caused serious problems during the Vietnam War of the 1960s and early 1970s. Some military men feared that reports of large North Vietnamese forces might suggest that the U.S. was making little progress in the war. So, they reduced official estimates of enemy troop strength—with disastrous results. North Vietnam's devastating Tet Offensive in January, 1968, caught U.S. and South Vietnamese forces badly off guard.

DAMAGING BLOWS

The most damaging blows to the U.S. intelligence community came in the 1970s. Several former CIA employees were tied to the notorious Watergate scandal that eventually caused President Richard Nixon to resign in 1974. They had directed Republican campaign workers who broke into Democratic Party headquarters at Washington's Watergate building.

Later, the press reported that the agency had helped to overthrow Salvador Allende, a Marxist who had been elected president of Chile. And, in 1974, the *New York Times* uncovered evidence that the CIA had illegally kept hundreds of American citizens under surveillance, including many who had opposed the Vietnam War.

Such abuses provoked Congress to step up its oversight of the CIA and its fellow intelligence agencies. Now, covert operations abroad must be approved by the President and reported to Congressional committees.

In 1975, three high-level government panels investigated the CIA. The most influential was a Senate committee headed by Senator Frank Church,

who called the CIA "a rogue elephant." The Church Committee revealed that U.S. agents had considered plots to assassinate Fidel Castro and Patrice Lumumba, a leader of the African nation of the Congo before it became Zaire. But, the committee concluded, "no foreign leaders were killed as a result of assassination plots initiated by officials of the U.S."

CUTTING BACK

Under President Jimmy Carter, CIA director Stansfield Turner sacked 800 workers in counterintelligence and covert operations. He beefed up intelligence gathering by technical means, such as spy satellites. Agency morale fell, especially when a leftist newsletter and several former CIA agents publicly, and often falsely, named individuals as CIA agents. Some 200 intelligence officials reportedly asked for early retirement.

Critics also blamed the CIA for a long string of intelligence failures. The North Korean attack on South Korea (1950), the Soviet invasion of Czechoslovakia (1968), the Yom Kippur War in the Middle East (1973), India's first nuclear explosion (1974)—all of these had taken the CIA by surprise.

Also, intelligence had sometimes been misused for political purposes. In the late 1950s, American analysts warned that the Soviets had more intercontinental nuclear missiles than the U.S. Democrat John Kennedy hammered away at the "missile gap" issue in the 1960 Presidential campaign. Actually, photos taken by U-2 planes proved that the Soviets had few long-range missiles. But Republican President Dwight Eisenhower could not release those photos without revealing that the U.S. was sending illegal reconnaissance flights over Soviet territory.

A similar controversy erupted in 1977, when President Carter publicized a CIA report that predicted a world oil shortage and soaring fuel prices in the mid-1980s. Carter hoped to win support for his energy policies, but critics slammed his use of intelligence for political gains. And the report turned out to be quite wrong. The world now faces an oil glut, and gasoline prices are tumbling.

In Iran, U.S. intelligence underestimated resentment toward the Shah, who fled the country in early 1979. The CIA also failed to warn U.S. policymakers of the November, 1979, seizure of the U.S. Embassy in Iran's capital, Tehran. Yet Iranian militants had briefly captured the Embassy months earlier.

Catherine Leroy/Gamma Liaison

U.S. intelligence officials misjudged Iranian militants, who toppled the Shah in 1979 and later seized the U.S. embassy.

EASING THE RULES

These failures convinced many that, in its rush to end intelligence abuses, Congress had clamped down too hard on the CIA. In 1980, President Carter declared that "we need to remove unwarranted restraints on America's ability to collect intelligence." And, in 1981, President Reagan issued eased rules for data collection and covert operations.

It may sometimes be unfair to speak of CIA "failures." As historian Mark Lowenthal points out, we cannot "expect omniscience from intelligence." It is a very inexact science. The CIA usually must work with incomplete information, often gained from questionable sources.

During Vice President George Bush's stint as CIA director in the mid-1970s, he authorized a revealing experiment. Two teams of analysts were asked to assess Soviet military capacities and intentions. The teams were given exactly the same data, but they reached radically different conclusions.

That experiment shows that intelligence can only offer educated guesses to U.S. leaders, not guaranteed certainties. "Unfortunately," Lowenthal writes, in Washington there is usually "little support for analysis that says 'maybe' or 'subject to change.'"

—Jonathan Rose

A SAMPLER OF CORNERED SPIES

SINCE 1945, the U.S. Justice Department has prosecuted 80 people for espionage. Here's what 15 of them were caught doing—and how the courts punished them.

1945: Emanuel Larson, U.S. State Dept. China expert, gave data on China to a U.S. magazine. Fined $500.
1949: V.A. Gubitchev, Soviet employee of the United Nations, got Justice Dept. secrets from his American girlfriend. Fifteen-year prison sentence suspended on condition he leave U.S.
1950: Julius and Ethel Rosenberg helped pass atomic secrets to Soviets. At much-debated trial, said they were framed. Executed.
1957: Rudolf Abel, Soviet agent, got U.S. Defense Dept. secrets from American informants. Prison sentence: 45 years. Was later traded to Soviets for captured U.S. U-2 pilot Gary Powers.
1965: Robert Thompson, trained as a spy in Moscow, joined the U.S. Air Force, spied from 1957-63. Prison, 30 years.
1977: Christopher Boyce, clerk at a defense contractor, sold spy-satellite data to Soviets. Prison, 40 years.
1978: Ronald Humphrey, U.S. Information Agency employee, passed data to Vietnam—to win his Vietnamese girlfriend a permit to leave Vietnam, he claimed. Prison, 15 years.
1983: James Harper, Jr., sold Poland missile defense data for $250,000. Life imprisonment.
1984: Karl Koecher, Czech agent and former CIA analyst, passed CIA data to Czechs and Soviets. Life imprisonment.
1984: Michael Tobias, U.S. Navy enlisted man, tried to sell secret Navy codes to Soviets for $100,000. Prison, 20 years.
1985: John Walker, former U.S. Navy employee, ran profitable spy ring selling Navy secrets to Soviets. Life imprisonment.
1985: Sharon Scranage, CIA clerk, gave identities of U.S. agents in Ghana to Ghanaian lover. Prison, five years; plus two years probation and 1,000 hours of community service.
1985: Larry Wu-Tai Chin, retired CIA analyst, passed secrets to China. Facing life imprisonment, he committed suicide.

TEN WHOSE TOP CONCERN IS THE NATION'S SECURITY

The nine men and one woman featured here deal in secrets and security. Their decisions on goals and methods guide the actions of the U.S. intelligence community.

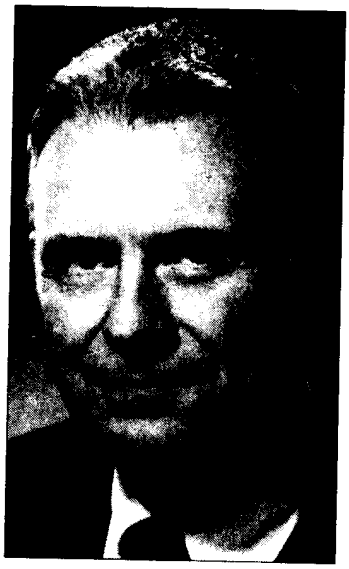
Four of the people presented here are key insiders whose organizations gather intelligence on the world. All but one work behind a wall of secrecy. In fact, the U.S. has never admitted that Edward Aldridge's National Reconnaissance Office exists. Such secrecy often troubles the panels that oversee the agencies. Sen. Dave Durenberger's committee is sure to air its worries at coming hearings on Robert Gates, tapped to be the CIA's No. 2 chief.

Two others profiled here are the nation's chief spy-catchers, responsible for tracking enemy agents and putting them behind bars. Their record-setting pace in the past two years has heightened public awareness of the spy problem.

Missing here are the foot soldiers of intelligence work. They include analysts who puzzle over raw data, and the spies—some human, some electronic—that do their work hidden from view.

White House

Vice-Admiral John M. Poindexter, 49, was tapped as National Security Adviser to President Reagan last December. A nuclear physicist and career Navy man, he is considered an "insider's insider." As the U.S. President's main foreign policy adviser, he keeps a low public profile, but is said to be blunt in his advice to the President. Poindexter earned wide praise last year for masterminding the U.S. interception of a jet carrying the hijackers of the cruise ship Achille Lauro.

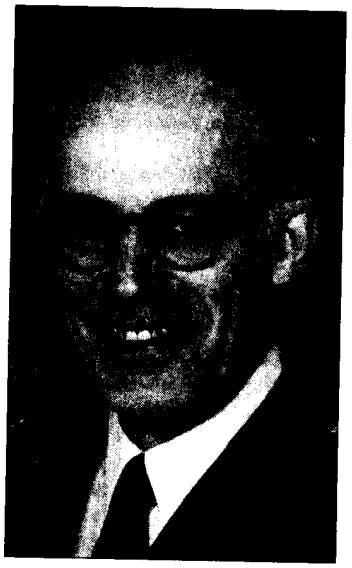


U.S. House of Representatives

Rep. Lee Hamilton (D-IN), 54, has been chairman of the U.S. House Intelligence Committee since 1981. A liberal who's served his rural Indiana district for 21 years, Hamilton says intelligence is a top priority, but covert action should be a last resort. He wants more debate among intelligence analysts, even if their reports contradict U.S. policymakers. He also promises that his panel will be "very tough" on intelligence agencies' requests for more money.

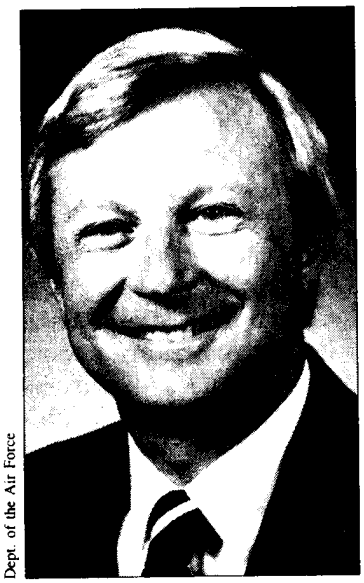
U.S. Senate

Sen. Dave Durenberger (R-Minn), 51, head of the Senate's Select Intelligence Committee since 1985, is a lawyer who once served as a U.S. Army Intelligence officer. Elected to the Senate in 1978, he is the first Minnesotan in more than 50 years to lead a Senate committee. A moderate conservative, he has traded public barbs with CIA chief William Casey over the agency's hush-hush policies. He advocates open debate of intelligence issues and more long-range planning.



National Security Agency

Lt. Gen. William Odom, 53, has directed the National Security Agency (NSA) since last April. A career military man from Tennessee, he is known as "a hardliner toward the U.S.S.R." His experience includes stints as an Army attaché in Moscow and teaching Soviet government at West Point. As head of the top-secret NSA, he commands a worldwide network of high-tech listening posts. His agency is under pressure to trim its big spending, estimated at up to $10 billion a year.



Dept. of the Air Force

Edward C. Aldridge, Jr., 47, is said to head the super-secret National Reconnaissance Organization (NRO), which operates U.S. spy satellites. Officially, he has been Under Secretary of the Air Force since 1981. Before that, he was a manager with top defense contractors. At the NRO, he oversees a budget of some $2.5 billion. The explosion of the space shuttle Challenger means new headaches for the NRO, which was counting on the shuttles to put spy satellites in orbit.

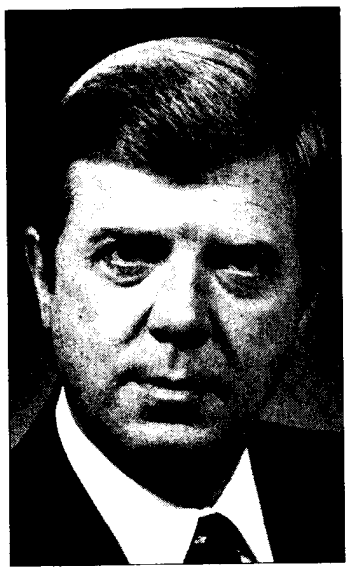
Lt. Gen. Leonard Perroots, 52, appointed Director of the Defense Intelligence Agency (DIA) last October, has been an intelligence expert for over 30 years. As head of the DIA, organized in 1961, Perroots oversees the collection and analysis of military intelligence. Many consider his agency's reports as important and influential as those of the CIA. Officially, the DIA doesn't have spies of its own, but its attachés have been caught in undercover work abroad.

White House

Anne L. Armstrong, 58, has headed the Presidential Foreign Intelligence Advisory Board since 1981. A Texan and former Ambassador to Great Britain, Armstrong served as a top aide to Presidents Nixon and Ford. First set up 30 years ago, the board makes sure the President gets an independent review of the U.S. intelligence effort. Its 14 members include former top foreign policy makers. Critics say its influence on intelligence issues is limited.

State Department

Morton Abramowitz, 53, was named to head the State Department's Bureau of Intelligence and Research (INR) last year. A former U.S. Ambassador to Thailand, he acts as a link between the agencies that gather intelligence, such as the CIA, and the diplomats and officials who use it. His bureau analyzes data and produces detailed reports on current events and long-range trends. The INR also reviews U.S. intelligence actions to make sure they're in line with U.S. foreign policy.



Federal Bureau of Investigation

James Geer, 46, has been the FBI's Assistant Director in Charge of the Intelligence Division since last June. In plain terms, this 20-year agency veteran is the nation's chief spy-catcher. Under President Reagan, the FBI's counterintelligence budget has tripled. But Geer's agents must monitor the moves of about 1,600 Soviet-bloc spies in the U.S., and they are able to check up on only a fraction of the 4.2 million Americans who have access to classified information.

Justice Department

John Martin, 48, has been chief of the Internal Security Section at the Justice Department since 1973. His office works closely with the FBI and other agencies to track down and prosecute national security crimes, and he makes the first decision on whether to prosecute a spy. He has won credit for speeding up cases without embarrassing agencies which have been spied on. New laws which keep U.S. secrets out of public trial records help his attorneys win cases.

—Deborah Sussman

SOVIET AGENTS SEEK HIGH-TECH SECRETS

The Soviet Union's efforts to gain advanced U.S. technology have made it the world leader in industrial espionage. By stealing secrets, it has managed to avoid years of costly research.

Amos Dawe, a Singapore businessman, obtained $50 million worth of credit from the Singapore branch of the Moscow Norodny Bank in late 1974. Soon after, he was in San Francisco, CA, arranging deals worth nearly $11 million to buy three small U.S. banks for the Soviets.

Dawe's dealings looked suspicious to a U.S. Central Intelligence Agency officer based in Singapore. The CIA man leaked details to a Hong Kong newsletter, which published an article about them. The deal to buy the U.S. banks collapsed. The Soviet bank withdrew its funds, and Dawe was hit with a flurry of lawsuits. Today, he is in a Hong Kong prison, serving a five-year sentence for fraud.

The Dawe scheme was not unusual, U.S. intelligence officials say. It was part of the Soviet Union's wide-ranging effort to gain access to advanced U.S. technology. Taking over the California banks, for instance, would have enabled the Soviets to learn about computer companies that the banks made loans to.

Rumors accusing certain corporations, research groups, and scientists of stealing trade secrets have long circulated in the business world. For years, Japanese firms were top suspects. But the Soviet Union's zeal to close its technological gap with the West has made it the global leader in industrial espionage.

LOOKING FOR SHORTCUTS

Throughout the world, Soviet officials are constantly on the lookout for new information that will help boost their economy and military technology. They're especially interested in information that will provide short cuts around expensive and time-consuming research. Top Soviet targets include microchip designs, artificial intelligence programs, genetic engineering, laser devices, superplastics, new metal alloys, and ion (charged particle) beams.

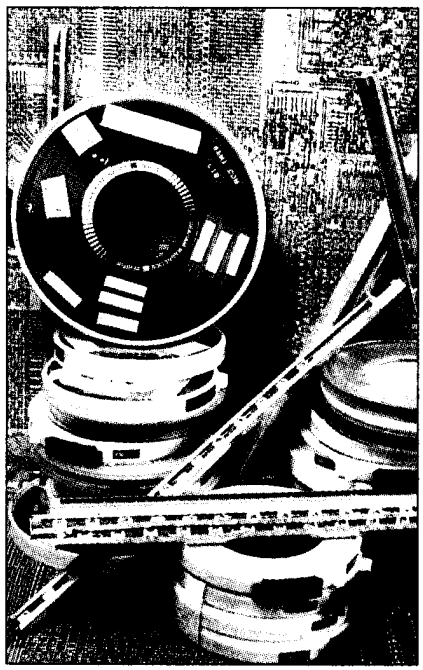
"In most cases, they could probably make these things on their own," says Marc Greenfield, an expert on Soviet computer technology at Columbia University. "But it's easier and cheaper to buy or steal them."

Soviet agents collect most of their information legally. They read scientific journals, attend meetings and trade shows, buy samples of new equipment, and engage in joint research projects. But they also work undercover, bribe or blackmail researchers, steal data, and spread false rumors.

A recent U.S. Defense Department report listed some of the U.S. companies high on the Soviets' "shopping list." Number one is General Electric, a maker of jet engines, nuclear reactors, and robot manufacturing systems for guided missiles. Numbers two and three are the Boeing and Lockheed aircraft companies. Also on the list are top electronics firms, including IBM and Westinghouse Motorola.

U.S. officials view the Soviet focus on high-technology with alarm. Since the late 1970s, Assistant Secretary of State Richard Perle has said, they may have cut the U.S. lead from 10 years to three. Western experts who have examined Soviet weapons and computers say that many Soviet items are direct copies of U.S. hardware.

In recent years, the U.S. and other Western nations have taken steps to block the flow of high-technology data to the Soviet Union. The Soviets responded by stepping up illegal operations to get that data. They set up hundreds of "dummy companies" in Western Europe to buy advanced American equipment. Some of these "dummy companies" have tied into computer networks as a way of tapping sensitive data.



J.P. Laffont/Sygma

The Justice Department seized these computer items in Santa Clara, CA, before they were passed to Soviet buyers.

U.S. officials have also tried to put more pressure on businessmen who sell equipment to the Soviet Union—sometimes legally, sometimes not. Such businessmen argue that, if the U.S. doesn't sell technology to the Soviets, others will.

FOOLISH OPENNESS

Several Soviet defectors point out that their former homeland benefits economically from the latest Western research without paying for it. One, in fact, called Americans "fools" for making such information available.

However, many Western scientists argue that, by the time the Soviet Union adopts U.S. designs, they are already out of date. The only way to gain a real advantage, these scientists say, is by conducting—not stealing—advanced research.

Depending on U.S. technology carries other risks for the Soviets, too. "The last thing they want to do," Marc Greenfield told UPDATE, "is to steal a mainframe computer to guide their missiles and not know how it works."

But it doesn't pay to underestimate the Soviets, some analysts warn. Past experience has shown that "borrowing" ideas in one area of research has often helped them surge ahead in another.

—Michael Cusack

HOW THE SOVIET UNION SPIES ON THE WORLD

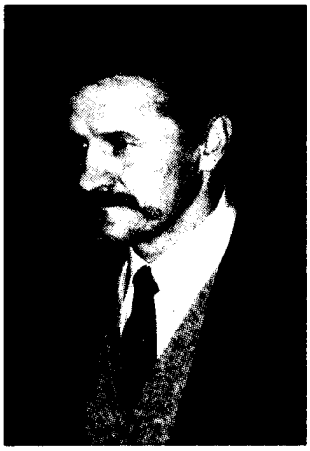
Soviet leaders command a worldwide spy network to steal foreign secrets and crush dissent at home. Like the czars of old, they see threats to their security everywhere they look.

Screaming in wide-eyed terror, a man strains at the wire binding him to the stretcher. But the wire holds, digging deep into his flesh. The furnace doors part. Two attendants step aside. The stretcher glides forward on metal rails. The scene is gruesome. For a traitor to Soviet military intelligence, there is only one way out—up the chimney.

Viktor Suvorov, a Soviet defector, recalls viewing the film of this execution as part of his spy training. The film's message was clear, Suvorov writes in his book, *Inside the Aquarium*. Spies who do their jobs well are rewarded with good pay, travel, clothes, and luxuries not available to ordinary citizens. For those who betray secrets, less pleasant rewards await. Suvorov, who faces a death sentence as a Soviet traitor, is now in hiding in Britain.

Espionage of every kind—industrial, military, and political—is a serious business in the Soviet Union. Soviet leaders command a vast spy network at home and around the world. The reason, Western experts agree, is that they see danger everywhere they look.

Diana Walker/Gamma Liaison



Trippett/Sipa

Arkady Shevchenko, left, and Vitaly Yurchenko are spy war veterans. Shevchenko, a former U.N. official, spied on Soviet diplomats before defecting to the U.S. Yurchenko, a top KGB agent, fled to the U.S., then changed his mind and fled home.

HISTORY OF SUSPICION

Secret police units have flourished under the Communists, who took power following the revolution of 1917. But Soviet spying is not a child of communism. It has a long and infamous history, beginning in the late 1500s. "Its pedigree dates back as far as Czar Ivan the Terrible's secret army," says Walter Laquer, author of a new study of espionage, *A World of Secrets*. "The kind of political rule to which the Russian people have been subjected for centuries has engendered qualities such as suspicion and skepticism on the part of ruler and ruled alike."

Today's Soviet espionage forces would dwarf those of the harshest czars. Their exact numbers are known only to a few Soviet leaders. But the size of the spy bureaucracy is said to be enormous. Laquer estimates that perhaps a half million workers toil for the KGB, the Soviet Union's chief spy organization. In Russian, the initials KGB stand for "Committee for State Security."

Not all KGB people are "cloak-and-dagger" types. At least 200,000 are border troops. Some 120,000 others serve in special military units. Of the rest, 60,000 work at KGB headquarters in Moscow and at offices around the nation.

The Soviet Union also can call on another another 250,000 people who serve in its "MVD" Security Forces, who can be quickly assigned to the KGB for "internal security" jobs. In addition to all these, hundreds of thousands of informants across the country watch for and report the misdeeds of their fellow citizens.

Finally, there are the KGB espionage specialists in foreign countries. Estimates put their numbers at up to 20,000 in the U.S. and its allies in Western Europe. Still more are assigned to other nations around the world. Most Soviet spies are disguised as diplomats, journalists, or trade officials.

Western experts believe that between one third and one half of all Soviets living and working abroad have espionage assignments. If they're correct, that would mean at least 290, and up to 500, Soviets in the U.S are doing double duty as spies.

The U.S. is trying to cut back on the number of Soviet spy-diplomats working inside its borders. Last month, it ordered the Soviet, Ukrainian, and Byelorussian Missions to the United Nations to cut 105 people from their combined staffs. The Ukraine and Byelorussia, republics of the Soviet Union, were granted separate memberships at the U.N.'s founding in 1945.

Officially, the Soviet Union says the KGB spends about $3 billion a year. Like the U.S. Central Intelligence Agency, however, the KGB keeps secret most of its budget. Some Western experts put the KGB budget as high as $20 billion.

THE SUPER-SECRET GRU

Still, the KGB doesn't include all of the Soviet espionage effort. Hidden from view until recent years was the GRU, the Soviet military's intelligence unit. The GRU is smaller than the KGB, with about 50,000 employees at home and abroad. If the KGB is secret, the GRU is super-secret. Soviet defectors say that almost anyone can apply for a job with the KGB. But the GRU is so suspicious of outsiders that it doesn't take applications. In-

Sygma

Soviet Embassy

KGB headquarters in Moscow sits on Dzershinsky Square, named for the first Soviet secret-police chief. KGB agents are often called "chekists," after its first nickname, Cheka. KGB head Viktor Chebrikov (inset) has been with the spy agency for 19 years.

stead, it selects new recruits without their knowledge. Someone who applied for a GRU job would probably face interrogation to find out how he or she learned about the organization.

Most experts say the GRU and the KGB are locked in a feud, or at least a serious competition. One reason, some say, is their different roles in Soviet intelligence. Viktor Suvorov, who defected from the GRU, says the KGB's job is to "prevent the collapse of the Soviet Union from the inside." The GRU's job, on the other hand, is to "prevent the collapse of the Soviet Union from the outside."

DESTROYING DISSIDENTS

One way experts compare the two agencies is by how they focus their forces. The KGB devotes only a small portion of its energy to foreign spying. Most KGB work is domestic. Its job is to ensure the continued dominance of the Communist Party. In the 1970s, the KGB reportedly detailed 25,000 agents to spy on and destroy dissident groups inside the Soviet Union.

Obvious targets are those who challenge the Party's authority. But the Party also sees a disruptive influence among religious Jews, Moslems, Baptists, Jehovah's Witnesses, and unauthorized peace groups. They may be watched by KGB agents and prosecuted as threats to national security.

The GRU, meanwhile, focuses almost entirely on foreign military threats. Its job is to collect technical data about the U.S. and other nations. It supervises spy ships, satellites, and ground stations that intercept communications signals from foreign military forces.

The KGB-GRU division of labor also shows in the kinds of events and issues that each pays attention to. Viktor Suvorov saw radically different KGB and GRU views of former U.S. President Jimmy Carter. The GRU, he says, concluded that Carter was unlikely to launch a nuclear attack against the Soviet Union. So they paid little attention to him. For the KGB, however, Carter was a four-year headache. The KGB saw his support for human rights—and Soviet dissidents—as a threat to Soviet stability.

Whatever their differences, the GRU and KGB both focus their foreign spy energies on the U.S. Their methods range from bribery and blackmail to friendly talk. Their agents visit singles' bars, men's clubs, and expensive restaurants in Washington and New York in hopes of meeting contacts who may let fall a crumb or two of useful information.

SPYING ON CAMPUS

Soviet operatives also visit public libraries to study reports on U.S. companies. They attend science conferences and seminars. They collect business cards from engineers and executives the way young boys collect baseball cards.

One Soviet report on espionage in the U.S., stolen by French agents, listed 35 scientific conferences Soviet observers had attended. Topics at some meetings included missiles, engines, radar, and lasers. The report also named 60 U.S. colleges as scientific and technical orchards ripe for picking. Favored targets were Harvard, the Massachusetts Institute of Technology (MIT), and the University of California at Berkeley. The Soviets conduct up to 20 percent of their U.S. spying on college campuses, experts say.

Whatever the source, a U.S. Defense Department report says the Soviets spend about $1.4 billion each year to steal high-technology information in the U.S. A special "Institute for Inter-Agency Information" (VIMI) gets orders from the Soviet defense industry and assigns the spy chores to the GRU or KGB. It even draws up budgets for the operations. According to the report stolen by the French, the Soviets say they've snatched 10,000 pieces of hardware and 100,000 documents of various kinds from the U.S.

Mikhail Gorbachev, the Soviet General Secretary, recently told the KGB and GRU to keep up the good work and to prepare for "greater responsibility." In keeping with the traditional Soviet fear of enemies within and without, Gorbachev said the spy services' eternal duty is to "expose enemy intrigues, to frustrate all kinds of subversion, and to protect our country's sacred frontiers."

—Peter M. Jones

NEW FORCE IN ESPIONAGE: GREED REPLACES IDEALS

U.S. and Soviet spy agencies face a common problem: lost loyalties. More Americans are selling U.S. secrets for large sums. And more Soviet defectors are fleeing to the West.

Nathan Hale, a 21-year-old American spy, was caught by the British on Sept. 21, 1776, and condemned to death. As the hanging rope was readied, Hale began a speech. Tradition has it that the speech ended with these words: "I only regret that I have but one life to lose for my country."

Today, a spy is more likely to regret not asking for more money. That's the conclusion experts draw from the flurry of espionage arrests that has shocked U.S. officials and the American people over the past two years. Greed, it appears, has replaced idealistic belief in a cause as the spy's prime motivator.

PRIZE RECRUITS

The world of 1986 is very different than it was in Nathan Hale's time. But spy services still prize recruits who have the unswerving patriotism of earlier days. A recent ad for the U.S. Central Intelligence Agency told job hunters that its work "answers the question: 'What can I do for my country?' "

Soviet spy agencies don't advertise for workers. But, if they did, they might make a similar appeal to young Soviets. "Both groups look for people who are narrow in their perspective, who willingly accept the norms of their society in foreign affairs and defense policy," says Jeffery Richelsen, a professor at American University and an expert on U.S. and Soviet intelligence.

The growing problem for spymasters on each side isn't finding new employees, but keeping them loyal. Experts say the U.S. is especially vulnerable to what they call "non-professional" spies. These are the workers in defense industries, the military, or other federal agencies who sell secrets to foreign agents.

Cash lures most such turncoats. Testifying before Congress, Philip Parker, a top FBI official, said that foreign spy agencies try to "identify [Americans] with financial or professional problems that might make them vulnerable to exploitation." One CIA source offered a harsher description. The non-professional spies, he said, were "greedy, emotional cripples."

One such case involved Richard Miller, a 20-year FBI veteran. With eight children, two houses, and a failed investment in an avocado farm, Miller could not live on his salary of $40,000 a year. For a time, he sold Amway products out of his car. A perfect example of someone with money problems, Miller was lured into a love affair by Svetlana Ogorodnikov, a Soviet agent. At Miller's arrest, U.S. prosecutors said he had sold a classified FBI document to Ogorodnikov for $65,000. A first jury deadlocked 11 to 1 in favor of conviction. As UPDATE went to press, a second trial was in progress.

Miller's case is part of a new "buy-a-spy" trend that worries many experts. Soviet agents use a careful "carrot-and-stick" with most who seem willing to pass along secrets, says Dr. Louis West, a California psychiatrist who has advised the U.S. government on espionage issues. "The carrot is more money for more work," West told UPDATE, "and the stick is the threat of exposure for work already done."

CHANGING SPY CLUES

Money has always played a role in spying. But, officials say, its influence in espionage today is making the job of the FBI and other counterintelligence agencies harder. The clues of a spy threat have changed since the days when political ideals, not dollars, motivated spies.

In the 1920s and 1930s, many people in the U.S. and Europe were inspired by ideals of social and economic equality described by Karl Marx, a German philosopher. They believed that the best hope for mankind's future lay in the kind of society that Marxists in the Soviet Union promised.

Marx called religion "an opiate." But Marxism itself acted like a religion for many of its believers. Their fervor alarmed many Americans, who feared that Communists in the U.S. were slowly infiltrating the nation's institutions.

As early as January, 1920, the U.S. Attorney General, A. Mitchell Palmer, ordered the arrests of thousands of people who were suspected of being Communists. In 1948, Alger

Soviet spies looking to buy U.S. secrets are taught that "all Americans can be bought." Recent U.S. spy scandals, many feel, seem to prove it. Typical targets are people with money worries.

Hiss, a former U.S. State Department officer, was indicted for perjury after denying he had passed secret papers to Communist spies. Hiss was jailed.

In 1949, 11 leaders of the U.S. Communist Party were convicted of advocating the violent overthrow of the government. All were jailed. In the same year, State Department experts who had accurately predicted the Communist victory in China's civil war were accused of having Communist sympathies. Many lost their jobs.

Chip Mitchell/Picture Group

Arthur J. Walker, left, a retired Navy officer, was one of three Walker family members convicted of selling military secrets to the Soviets. He was sentenced to three life terms.

Today, counterspy efforts no longer focus on "closet" Communists. Most threats come from people who appear to care little about politics. "These are not Communists or people who [are] committed to the abolition of capitalism—quite the contrary," says U.S. Secretary of Defense Caspar Weinberger.

Former U.S. Attorney General Griffin Bell blames a "breakdown in values and a looseness in general discipline" for the rising number of spy cases in the U.S. "It's the 'me' generation and [the attitude of] 'I'll make it on my own,' " he says, that causes the selling of secrets for money.

BUYING AMERICAN

The Soviets know that Marxist ideals no longer attract many Americans. So, they have changed their appeal to potential spies. According to one Soviet defector, a Moscow espionage manual says the average American "regards money as the sole means of ensuring personal freedom and independence." A former Soviet diplomat in Japan, Stanislav Levchenko, sums up the Soviet view in five words: "All Americans can be bought."

The Soviet view is exaggerated. But, U.S. experts say, it shows the problem of spotting money-hungry spies. "I'd say [today's spies] are harder to detect in advance," professor Jeffrey Richelsen told UPDATE. "A lot of these people don't get into financial trouble until five or 10 years after they're employed. Or it may be after they retire. When they first take a job, there may be nothing to indicate that they are politically suspect or have any money problems."

BODY BLOW

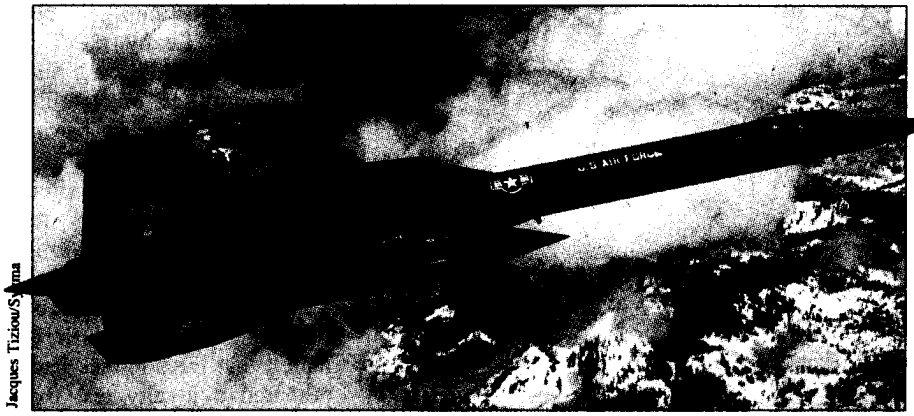
Americans are not the only people who sell secrets. Soviet citizens, including spies, find life in the West a powerful lure. In 1985, Soviet agents in West Germany, Greece, Britain, and Italy defected to the West. "It's . . . a real body blow to [them]," said Sen. Patrick Leahy (D-VT), a member of the Senate Select Committee on Intelligence. "They must be in sheer panic over there."

U.S. glee soured after one defector fled back to Moscow. Still, it was a big year for Soviet turncoats. Some say the Soviet agents defected because they feared that their bosses had prepared a loyalty test for them.

Such cases suggest that Marxist ideals have lost much of their appeal even to Soviets. "The defections mark Moscow's failure to instill Communism in the new generation," says Zdzislaw Ruraz, a former ambassador of Poland's Communist government to Japan. Ruraz should know what he is talking about. He, too, is a defector.

—Peter M. Jones

A Counterspy's Codebook



Jacques Tizou/Sygma

U.S. SR-71 spy plane can fly 17 miles high at 2,000 m.p.h. It can evade enemy radar, photograph 60,000 square miles in an hour, and spot a mailbox on a country road.

Case officer: An employee of an intelligence organization who provides direction to a secret agent.
Clandestine: Secret or hidden.
Classified information: Data kept from general circulation, usually to protect national security.
Counterintelligence: Work intended to uncover, prevent, or counter terrorist acts or clandestine intelligence activities by other governments. Refers also to the unit that performs such work and the data obtained from it.
Cover: A false identity used by a spy, group, or base of operations to disguise intelligence activities.
Covert action: An activity other than intelligence-gathering conducted abroad to bolster foreign policy goals. The action is designed to mask the role of the government behind it.
Espionage: The gathering of information through clandestine means.
Ferret: U.S. spy satellite.
Human intelligence (HUMINT): Intelligence collected by human and not technical means. It includes data collected by spies and military attachés and through interviews of defectors, travelers, and émigrés.
Intelligence: Information about an enemy, a potential enemy, or an area. Word also refers to the agency involved in collecting such information.
Mole: A spy, often a double agent, who sets up a cover often years before beginning espionage operations.
National security: Safety of a nation from spying, sabotage, or attack, and measures taken to ensure that safety.
Reconnaissance: A survey designed to gain intelligence information, especially of enemy territory.
Secret agent: A spy. Most CIA agents are foreigners working abroad under the agency's direction.
Signals intelligence (SIGINT): Intelligence collected by technical means. It includes intercepted communications (COMINT), coded and uncoded, and also electronic intelligence (ELINT) on air defense systems, satellite tracking stations, and the like, derived by monitoring radar signals.

COVERING THE SHUTTLE DISASTER:

HOW THE NETWORKS DEFINE BIG NEWS

by Dorothy Scheuer

How do TV journalists decide which stories deserve a three-minute slot—and which deserve 20 seconds? How do they decide to preempt an entire afternoon's programming to cover a single news story?

UPDATE took those questions to Dan Rather, the CBS News anchor, two weeks after the January 28 disaster of the space shuttle *Challenger*. Shuttle launchings had become so routine, Rather's network hadn't even bothered to cover this one live. We asked him why.

"We were told by NASA [the National Aeronautics and Space Administration] in the very beginning," Rather explained, " 'The whole idea of the shuttle is to make spaceflight routine.' If it's supposed to be routine, then at what point do you stop live coverage? At what point do you stop coverage at all?

"We certainly had not reached the point where we said to ourselves, 'The shuttle mission is not news,' " Rather said. "We were at the point where we said, 'Each shuttle launch is certainly a news story to be covered in our regularly scheduled newscasts.' "

ABC and NBC agreed. On January 28, only the Cable News Network (CNN) televised the launch nationally. Then, 73 seconds into the mission, the shuttle's main fuel tank exploded, blowing *Challenger* apart. All seven crewmembers died in the accident.

Within minutes, the network news anchors—Rather at CBS, Tom Brokaw at NBC, and Peter Jennings at ABC—were on the air. They stayed there all afternoon and returned for special hour-long reports that evening.

Rather had been watching the launch in his office on closed-circuit TV. "I saw a flash and some smoke," he recalled. "It was clear something had happened, but I wasn't quite sure what. Now, the wire services—Associated Press, United Press International, Reuters—are sometimes your best bet for early, verifiable information. But they didn't know what had happened, either. We had a decision to make—whether to go on the air. As soon as we established that the shuttle did explode, the decision made itself. We would go on and stay on, probably for quite a while."

Rather went on the air without much to report beyond the fact of the explosion. So, coverage consisted of little more than 90 seconds of videotape on the explosion and lengthy background material on the crewmembers, the mission, and NASA.

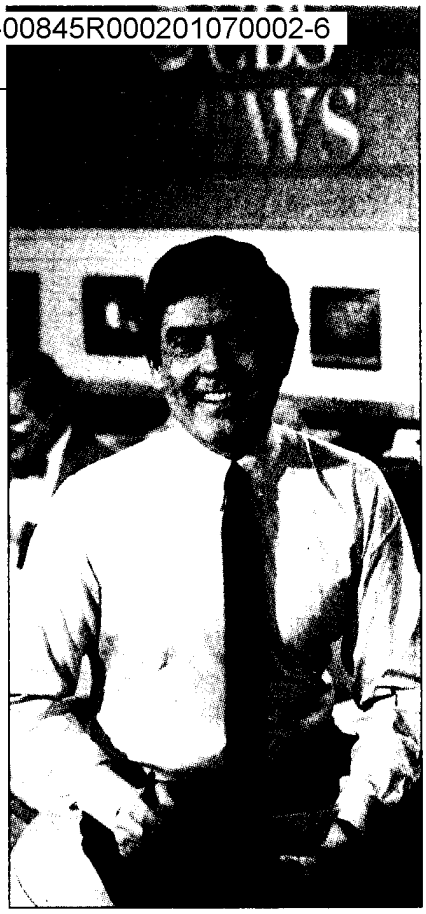
CIVILIAN ABOARD

Interest in this particular launch was higher than usual. On board with six trained astronauts was Christa McAuliffe, a social studies teacher, whose presence had been the focus of much pre-launch publicity.

Still, many wondered why the networks covered the *Challenger* disaster more aggressively than, say, an airplane crash. Last December, a civilian plane crashed in Newfoundland, Canada, killing 248 army personnel and eight crew members.

"[The Newfoundland crash] happened at a time and in a place where nobody had live cameras," Rather said. "At Cape Canaveral, we have cameras and we have the capability of 'going live' at any time. At Newfoundland, you have to send people to cover it. I think one Canadian cameraman was near the scene at the time of the Newfoundland crash.

"That's a consideration, not *the* consideration," Rather continued. "You also have to ask, 'How many people will be interested? How important is the story?' Sometimes you say, 'Well, maybe people won't be interested, but in our judgment they should be.' You also have to ask if we have information about what happened and photographs of it. All of this goes into the decision-making process."



Veteran journalist Dan Rather, 54, just ended his fifth year as anchor and managing editor of *The CBS Evening News*.

Audience viewing habits play a part, too. "For special events coverage, like the *Challenger* story," Rather said, "the following often happens: One person sees it on TV, calls somebody, and says, 'Hey, did you see what happened?' Our sense was that we should show the videotape once every 15 or 20 minutes, so that new viewers could be caught up on what had happened and what was known."

On camera, Rather referred frequently to a scale model of the shuttle. He also had a team of reporters and researchers working with him.

Excessive coverage? Nonsense, Rather says. "Honest journalists sometimes can differ about whether a story deserves 'front-page' coverage," Rather told UPDATE. "Nobody but nobody had any doubt about this story. The shuttle explodes. Anybody worthy of the name journalist would say that's a big story."

WORDSEARCH

L	I	C	N	U	O	C	B	M	L
A	D	L	O	C	S	R	C	O	K
K	G	B	I	S	E	Y	T	L	B
A	E	N	S	S	C	P	E	E	R
G	D	J	A	A	U	T	R	T	E
K	O	H	V	T	R	O	R	H	B
D	C	I	N	A	I	L	E	I	M
H	R	A	I	M	T	O	F	C	A
P	A	L	L	C	Y	G	N	S	H
W	A	R	F	B	I	Y	O	A	C
B	Y	F	I	S	S	A	L	C	L

The words on the list are hidden in the diagram. When you find them, circle them. Each word runs in a straight line. Some of them run on a slant, or backwards. (See *CODE*, in the example.)

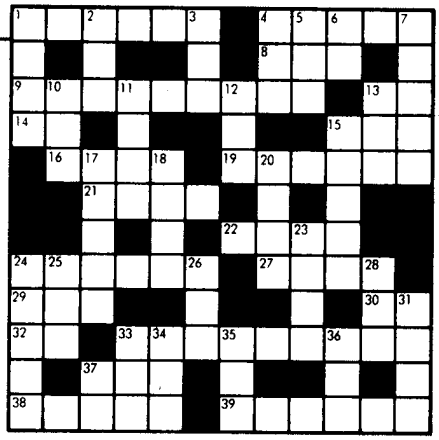
Eleven letters will be left over. In order, they spell the term for a secret CIA or FBI break-in:

_____ ____ ____

Black Chamber*
Chase
C.I.A.
Classify
Code
Cold War*
Cryptology
D.C.I.
Ethics
FBI
Ferret
Invasion of Privacy*
KGB
Mata Hari*
Mole
National Security Council*
Nail
Tass
Trail

*Written as separate words in diagram.

CROSSWORD



*Starred clues refer to the theme of this issue.

ACROSS

*1. Israeli intelligence organization.
*4. Unintended transmissions of information or news releases.
8. Choose, select.
*9. Country whose harbor CIA mined in 1984.
13. Long Island, for short.
*14. Washington, _____.
15. Her, in Berlin.
*16. Revolutionary spy who had but one life to give for his country.
*19. _____ States: major western nation.
*21. Secret listening devices in rooms or buildings.
*22. Strategic Arms Limitation Talks (abbr.).
*24. _____ action (hidden, undercover).
27. Hunt, search for.
29. Suffix used for enzymes.
30. Editor, for short.
*32. Nazi police force.
*33. Practice of spying.
37. Red, Black, or Yellow.
38. Yellow triangular traffic sign.
*39. _____ agent (undercover spy).

DOWN

1. Heal, improve, fix.
2. Securities and Exchange Comm.
*3. Defense Intelligence Agency.
4. Gehrig or Piniella of the Yankees.
5. Environmental Protection Agency.
6. The Marx Brothers' "A Night _____ the Opera."
*7. Watched secretly.
10. I, in Bonn.
*11. American Civil Liberties Union (abbr.).
*12. Soviet intelligence agency.
*13. _____ detector.
*15. _____ Department: federal agency that deals with foreign policy.
17. None of the _____.
18. German name for Ohre, central European river.
*20. Belonging to the National Security Agency.
23. "You can _____ on me."
*24. Director of the C.I.A.
*25. Predecessor of the C.I.A.
*26. Break in on a telephone line secretly.
28. Beer barrel.
31. Scratch on a car.
33. Electric, slippery, aquatic creature.
34. Not happy.
35. _____ and outs.
36. On the _____ (broadcasting).
37. Southeast (abbr.).

SCRAMBLER

Unscramble the letters in each of the four words listed below. Each word will spell a foreign country. (Hint: each country is on a different continent.) Write the names in the spaces provided. The circled letters, when rearranged in the spaces at the bottom, will answer the riddle.

UNSAD

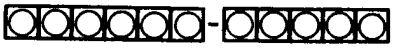
LARIES

CRUDEOA

ATRUGLOP

Riddle: Spy equipment that the National Reconnaisance Office might provide agents on horseback.

Answer:

"  "!

Answers in your teacher's edition.
Puzzles created by Andrew Gyory.

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ARMY. BE ALL YOU CAN BE.

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Anything's possible.

YAMAHA

ITY: WHAT IT IS, HOW IT WORKS

U.S. President
Ronald Reagan

'l Security Council (NSC)
evel group advises President on t policy questions.

ctor of Central Intelligence
): Chief intelligence adviser to the ent & NSC. Coordinates U.S. intnce efforts as chairman of the al Foreign Intelligence Board, members are heads of the varitelligence groups. Directs CIA.

'DEPENDENT AGENCY

Intelligence Agency (CIA)
ucts secret intelligence efforts and actions abroad. Collects and an- political, military, economic, biical, sociological, scientific and ical intelligence. Develops new intnce-gathering technology. Under al circumstances, conducts counelligence activities inside the U.S., ordination with the FBI.

NON-DEFENSE AGENCIES AND DEPARTMENTS

Department of Energy
Openly collects political, economic, and technical data on foreign energy matters.

Department of the Treasury
Maintains Bureau of Intelligence and Research that openly gathers political and some economic intelligence.

Department of State
Openly collects economic data on foreign nations. Secret Service protects President against surveillance activities of foreign nations.

Fed. Bur. of Investigation (FBI)
Conducts activities inside the U.S.—and, under special circumstances, outside the U.S., in coordination with the CIA—to counter other nations' espionage activities. Coordinates counterintelligence activities of all U.S. intelligence agencies.

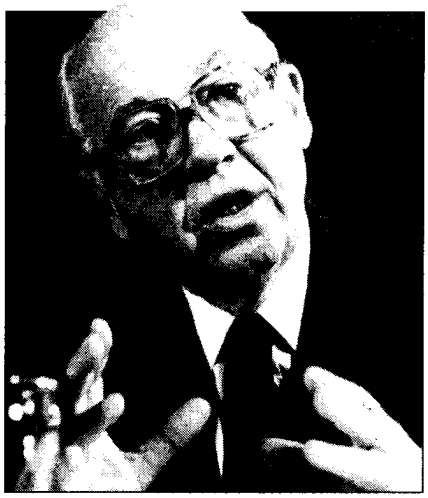
Source: Central Intelligence Agency, National Security Agency, other sources.

(Continued from page TE-3)
ing sufficient in a democracy? When did the U.S. institutionalize spying?

Questions to Guide Reading. 1. What kinds of world events seem to demand secret intelligence operations by the U.S.? 2. Is there any limit to what U.S. intelligence agencies can or must do?

Fast Quiz. Historian Jonathan Rose's History feature identifies some successes and several failures in covert activities planned by the U.S. intelligence community in recent decades. Ask students to (1) identify each of the following as a CIA "success" [S] or "failure" [F] and (2) explain the CIA's role briefly:
a. Bay of Pigs (F); b. Cuban missile crisis (S); c. Watergate (F); d. late 1970s political climate in Iran (F).

Role-Playing Activity. Even for classes not used to role-playing, the fast give-and-take of this week's UPDATE Interview argues for having two students (one, playing DCI's William Casey; the other, UPDATE's Maura Christopher) read the feature as a dialogue.


UPI

William J. Casey, Director of Central Intelligence, appearing before the U.S. Senate Intelligence Committee.

There are many discussion points suggested by Casey's remarks. One is his observation that money is "the big reason" for the number of Americans engaged in spying against their own nation.

Debate Activity. See the Skills Review page in this Teachers' Edition (page TE-8) for an outline students can use in researching and preparing to debate a topic related to oversight of U.S. intelligence operations.

Evaluation. 1. Ask students to write a brief summary of the role played by each of the following in the development of the U.S. foreign-intelligence system: the Black Chamber, MAGIC, the OSS, the National Security Act.
2. See the Post-Test on page TE-7 of this Teacher's Edition.

ANSWERS

Crossword, p. 24

Across: 1. Mossad; 4. leaks; 8. opt; 9. Nicaragua; 13. L.I.; 14. D.C.; 15. sie; 16. Hale; 19. United; 21. bugs; 22. S.A.L.T.; 24. covert; 27. seek; 29. -ase; 30. ed.; 32. S.S.; 33. espionage; 37. Sea; 38. yield; 39. secret.

Down: 1. mend. 2. S.E.C.; 3. D.I.A.; 4. Lou; 5. E.P.A.; 6. *at* 7. spied; 10. ich; 11. A.C.L.U.; 12. G.R.U.; 13. lie; 15. State; 17. above; 18 Eger; 20. N.S.A.'s; 23. lean; 24. Casey; 25. O.S.S.; 26. tap; 28. keg; 31. dent; 33. eel 34. sad; 35. ins; 36. air; 37. S.E.

Wordsearch, p. 24

Horizontal: Council; Cold; KGB; D.C.I.; Nail; Of; War; FBI; Classify.

Vertical: Code; Invasion; Tass; Mata; Security; Cryptology; Ferret; Mole; Ethics; Chamber.

Diagonal: Chase; Privacy; Trail; National; CIA; Black; Hari.

Leftover Letters: Black Bag Job.

Scrambler, p. 24

Countries: Sudan; Israel; Ecuador; Portugal.
Riddle: "Saddle-lites."

Pre-Test, Page TE-2

A. 1-c; 2-a; 3-b. **B.** 1-T; 2-T; 3-F; 4-T; 5-F. **C.** 1-d; 2-c; 3-b; 4-e; 5-a. **D.** Check # 2 and # 6. **E.** Answers will vary. See the Special Report and Interview features.

Post-Test, page TE-7

A. 1-b; 2-a; 3-b; 4-c; 5-b. **B.** Check # 3. (The CIA was formed in 1947—and might not have failed to predict the event. **C.** 1-F; 2-F; 3-F (It is a fact that it is estimated); 4-O; 5-O; 6-O. **D.** Answers will vary. A major difference is that the CIA works outside the U.S.; the FBI, within. **E.** Any four of the following: (1) Identifying needs and planning the intelligence operation; (2) Collecting the data; (3) Processing the data; (4) Analyzing the data; (5) Disseminating the analysis of policy makers. **F.** 1-a (Signals Interception); 2-d (Central Intelligence Agency); 3-e (National Security Council); 4-b (National Reconnaissance Organization). **G.** Answers vary.

SCHOLASTIC UPDATE POST-TEST

(Use with this week's UPDATE on the U.S. Intelligence Community.)

General Directions. On the line to the left of each statement, write the letter of the choice that best completes the statement or answers the question.

A. ESPIONAGE HISTORY

___ 1. One of the earliest American spies was (a) Nathaniel Greene; (b) Nathan Hale; (c) Nathaniel Lyon.

___ 2. The "Black Chamber" espionage agency operated in the U.S. during (a) World War I; (b) World War II; (c) the Korean Conflict.

___ 3. The first large-scale foreign-intelligence agency in the U.S. was the (a) ICC; (b) OSS; (c) MAGIC.

___ 4. In the 1970s it was reported that the CIA had helped overthrow the elected Marxist president of (a) Mexico; (b) Argentina; (c) Chile.

___ 5. Counterintelligence efforts within the U.S. are under the direction of the (a) CIA; (b) FBI; (c) DOD.

B. NOT A FAILURE!

Check (√) the event(s) which did NOT provoke criticism of CIA failures of intelligence.

___ 1. India's first nuclear explosion
___ 2. the Yom Kippur War in Israel
___ 3. Hitler's invasion of Russia
___ 4. the Korean Conflict

C. FACT (F) OR OPINION (O)?

___ 1. The number of Americans with security clearance increased during the 1970s.

___ 2. Most Americans with access to secrets work for the Dept. of Defense.

___ 3. The National Security Agency is estimated to have a larger budget than any other U.S. intelligence agency.

___ 4. The U.S. probably loses more classified information through leaks to the media than through the efforts of foreign spies.

___ 5. All government workers should submit to polygraph tests.

___ 6. "The need to protect [U.S.] security is absolute." —Wm. Casey

D. A DIFFERENCE

What is a MAJOR difference between the mandates of the FBI and the CIA?

_____

E. SPY STEPS

List FOUR of the five major steps in the intelligence-gathering cycle.

1. _____
2. _____
3. _____
4. _____

F. LETTER MATCH

Match each phrase to the correct set of letters. As a BONUS, write the words for which each set of letters stands.

Column A

a. intercepted, coded data
b. runs all U.S. spy satellites
c. data obtained by human efforts
d. said to be the fastest-growing U.S. agency
e. integrates domestic, foreign, and military policies for U.S. defense

Column B

___ 1. SIGINT _____
___ 2. CIA _____
___ 3. NSC _____
___ 4. NRO _____

G. COVERT: YES OR NO?

Read the following excerpt from this week's UPDATE Special Report. Then use the reverse side of this paper to LIST 3 arguments FOR and 3 arguments AGAINST allowing the CIA secret policy-making powers such as the one reported here.

"The CIA is said to have spent at least $80 million [in a covert action] to build up the Nicaraguan contras, who are fighting that nation's Marxist-led government."

SCHOLASTIC UPDATE SKILLS REVIEW

(Use with this week's UPDATE on the U.S. Intelligence Community)

Using UPDATE to Prepare for a Debate

RESOLVED: All U.S. Intelligence Operations Should Be Subject to Congressional (i.e., the Public's) Approval.

Do you agree or disagree with the above debate proposition? One way to develop your position on this question would be to research and outline major ideas in this week's UPDATE.

A. To locate and summarize data, fill in the following outline. (Some data has already been outlined.)
B. Conclude by stating your position and summarizing your arguments.

QUESTIONS	PAGES/ARTICLES	MAIN FACTS/POINTS
1. What are the chief U.S. intelligence-gathering agencies? What were they set up to do?	pp. 4-7, Spec. Report; pp. 12-13, History feature	CIA, FBI, NSA
2. What types of activities do these agencies get involved in?		
3. What arguments are offered for keeping these agencies' activities secret?	p. 10-11, Interview, Wm. Casey	
4. What evidence is there for making these activities subject to the approval of Congress?		

5. Statement of my Position (FOR or AGAINST the Question RESOLVED Above): I believe that _____

6. Summary of the ARGUMENTS I will use: _____